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66TH ANNUAL REPORT
OF THE
INTERSTATE COMMERCE
COMMISSION



NOVEMBER 1, 1952



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WASHINGTON : 1953

INTERSTATE COMMERCE COMMISSION

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TABLE OF CONTENTS

(For details see index)

SPECIAL SUBJECTS	Page
Admissions to practice	71
Agreements between or among carriers	61
Amortization accounting for emergency carrier facilities	35
Class rate and classification proceedings	55
Class rates, mountain-Pacific territory	58
Defense Production Act of 1950, as amended	24
Effect of reduced appropriations	142
Electronics in transportation	70
Express rates and charges	53
Freight rates and Federal income taxes	49
Government reparation cases	64
Hearing examiner litigation	75
Increased freight rates, 1951-52	46
Intrastate rate cases	64
Investigations	62
Laws relating to railroad labor	64
Legislative recommendations	147
Management improvement within the Commission	138
Parcel-post charges	55
Protective service and car-owning companies	65
Questionable practices of carrier management	73
Railroad passenger fares	42
Railroad reorganizations	37
Railway mail pay	54
Recordation of documents under section 20c	42
Safety work and accidents	65
Railroad	65
Motor	67
Small shipments	59
Spotting services at industrial plants	72
Standard time zone investigation	71
Survey of the Commission's organizational structure	142
The passenger train deficit	44
Time lag in rate increase cases	47
Traffic and earnings of transport agencies	16
Transportation during the year	1
Transportation of explosives by motor	69
Voluntary reorganizations	40
Work of the legislative committee	76
BUREAUS	
Accounts and cost finding	77
Finance	82
Formal cases	86
Informal cases	87
Inquiry	88

	Page
Law.....	90
Locomotive inspection.....	106
Motor carriers.....	110
Safety.....	118
Service.....	123
Traffic.....	127
Transport economics and statistics.....	129
Valuation.....	133
Water carriers and freight forwarders.....	135

REPORT OF THE INTERSTATE COMMERCE COMMISSION

WASHINGTON, D. C., November 1, 1952.

To the Senate and House of Representatives:

The Interstate Commerce Commission has the honor to submit herewith its sixty-sixth annual report to the Congress. The period covered by this report extends from November 1, 1951, to October 31, 1952, except as otherwise noted.

A statement of appropriations and aggregate expenditures for the fiscal year ended June 30, 1952, is contained in appendix F to this report.

TRANSPORTATION DURING THE YEAR

The unusual complexity of conditions in transportation noted in our last two reports has not abated in the current year. In some respects the situation has worsened. Carriers and shippers have brought a great number of difficult problems to us. These problems have arisen in part from the many adjustments which business in general and transportation in particular have had to make to changing, and at times highly uncertain, business conditions and price dislocations, to varying and in some respects easing situations as to critical materials and their availability for the production of civilian goods, and to work stoppages in industry and in transportation. There also has been ever present concern over the ability of both industry and transportation to meet the Nation's needs in the event of a major change in the international situation.

Our general economy has had to make way for a large increase in the production of goods and materials for the strengthening of our national defense. Despite efforts to maintain a balance between defense and civilian production, dislocations affecting particular segments of industry occurred and called for attention by the appropriate authorities. Some uncertainty as to what the immediate future might hold for civilian industry and the country at large arose out of prospective further reductions in civilian output. The mild recession in business of July and August 1951 was followed by partial recovery in the ensuing 4 months. This recovery was more marked in the first quarter of 1952, but a decline, accentuated by the steel strike, then ensued. The index of industrial production (adjusted for seasonal variations) of the Federal Reserve Board showed marked recovery in August and September. The output of minerals followed much the same course. Production of agricultural commodities has been at a high over-all level.

These shifts in conditions and uncertainties necessarily affect our work. Our efforts to enable carriers to maintain themselves in a healthy condition are subject to these variant business conditions, and our administrative problems mount in various respects as disturbances occur in the flow of goods.

Changes in traffic, costs, and rates.—Ton-miles increased substantially in 1951 for each group of primary carriers. So far as available statistics indicate, the over-all picture is one of a smaller traffic volume in 1952. In the half year, tons of rail traffic originated were lower by 6.2 percent. The 2-month steel strike, which began in June, and other work stoppages were factors in this situation, as also in the volume of traffic reported by other carriers, except pipelines. The aforementioned 6.2-percent decline in rail tons and a 5.1-percent reduction in rail ton-miles in the half year under the same period of 1951 may be compared with a decrease of 2.6 percent in total industrial production. There was a 16.2 percent further decline in less-than-carload traffic in the half year, as compared with a 2.3-percent decrease in the index of manufactures of durable goods and a 6.4-percent decline in the index of manufactures of nondurable goods. Tons of freight-forwarder traffic carried by railroads declined only 2.4 percent.

The increase in revenues of most carriers of property in the year ended June 30, came about in some instances by reason in part of the higher volume of traffic in the first 6 months of this period. There was almost no change in railroad freight revenues in the ensuing 6 months and the increase in revenues of class I motor carriers was relatively small. An over-all decrease occurred in the half year in the freight revenues of water carriers. Pipelines reported a smaller increase than in other recent periods.

In our decision of April 11, 1952, in Ex Parte No. 175, we authorized a further increase, in the form of surcharges effective generally on May 2, in rail-freight charges. Higher costs and carriers' credit needs lay at the basis of this authorization. While the further increase doubtless has had some influence on rail traffic, the lower volume of such traffic throughout the present year would, in the absence of the increase, have created a difficult financial situation for these carriers. In the same proceeding we authorized similar increases in water-carrier and freight-forwarder rates, predicated on increased costs. Full use has not been made of the authority granted. As explained subsequently, there also have been further advances in motor-carrier rates.

As shown above, less-than-carload traffic continues to decline, both absolutely and in relation to potential volume. Shippers express concern over this situation and have been the source of suggestions for enabling better handling or reduction of the costs of this traffic. Some

application of these suggestions has been effected. Further examination of the future of this and of related fields of service appears much to be needed.

The improvement in the structure of rail class rates which came about on May 30 when new class-rate scales became effective throughout the country east of mountain-Pacific territory and a new rail classification of Nation-wide application came into use is discussed herein-after under the heading Class Rate and Classification Proceedings.

Interagency competition.—In our last report we discussed at some length the forces which produce continued and great competitive thrusts among transportation agencies and the principles which guide us in passing on the issues which reach us for decision. We also referred to railroad criticisms of what is looked upon as an unduly restrictive policy in dealing with railroad applications to engage in motor-carrier service. Shippers have expressed an interest in greater use of motor vehicles as a means of improving less-than-carload service.

During the year there has been continued and apparently more concerted discussion in railroad quarters of the desirability of giving railroads more freedom in dealing with what they designate as managerial questions, particularly in the adjustment of rates and in the use of motor transport facilities. It is obvious that a substantial change in congressional policy, particularly as it relates to intercarrier competition in its bearing on the public interest, is presented by this type of proposal, and that a more searching analysis of the possible advantages and disadvantages, and of the implications of such a change, must be made than any which thus far have come to our attention. There are a number of aspects of interagency competition which would be embraced in a broad review of the subject. It shows itself in forums concerned with matters with which we do not deal. We necessarily abstain from expressions of views here as to these issues or the broader problems of policy which they involve.

Private carriers are a factor in both motor and water transportation. Current discussions of the problems they present deal for the most part with the private motor carrier. It has been characterized, on the one hand, as a competitive weapon in the hands of shippers and, on the other, as a competitive necessity when for-hire service is either not adequate to shippers' needs or too costly for shippers to use. Data published by the Bureau of Public Roads indicate that in 1950 private carriers accounted for 43.4 percent of total highway ton-miles on main rural roads. The extent of private competition with intercity for-hire carriers obviously, however, is not measured by this figure, as it reflects extensive movements by farmers in their own trucks and other movements, such as those which combine transportation with selling, which often are not amenable to for-hire movement. Private motor trans-

portation conducted with tractor-semitrailers or other combinations has grown materially in recent years, though total private transportation on main rural highways has not grown in relation to total transportation of property on such highways. While the tests of private carriage which we have developed have been supported after rigorous review in the courts, the application of these tests to concrete situations presents continuing difficulties. Legislation sponsored by for-hire carriers has been resisted very strongly by private carriers. Some shippers with trucking operations of their own challenge the for-hire carriers to make private transportation unattractive and unnecessary. The situation is a more or less fluid one.

We have referred in our last two reports to the lack of information as to the end results of competitive rate reductions permitted in this period of basic adjustment in the rates of diverse forms of transportation. The possibility of marshaling information helpful to all concerned was mentioned. Our 1-percent continuous sample of railroad waybills apparently provides data useful for one type of approach to this problem. Shortage of personnel has permitted only certain preliminary explorations of the possibilities which, in the view of staff members, this method holds.

Railway express.—In a later chapter we note the extent to which the express business contributes to the passenger-service deficit and call attention to the expiration in February 1954 of the contract between the express agency and the railroads. We have discussed the express situation in numerous decisions and in our annual reports. The downward trend in volume and express revenues has been noted.

We referred in our last report to the evident interest in the effect on the express business of the increase in parcel-post rates and reduction in the size and weight of certain parcel-post packages. The first of these changes became effective on October 1, 1951, and the second on January 1, 1952. A comparison of the results for the first half of 1952 with that period in 1951 indicates that the number of pieces of parcel post (exclusive of books) declined from about 560 to 554 millions, or 1.1 percent, that pounds fell from 3,507 billions to 2,824 billions, or 19.5 percent, and that revenue increased from about \$195 million to about \$209 million, or 7.2 percent. The average weight per shipment declined from 6.26 to 5.10 pounds, or 18.5 percent.

While it is not possible to determine the extent of the influence of these changes on the express business, it may be noted that domestic express revenue (which is the total gross revenue, including revenues from carload and air express traffic, collected by the express agency from the public) advanced from \$155 million to \$189 million, or 21.8 percent in the first 6 months of 1952 over the same months of 1951.

Rates were higher, however, in the later period. Operating expenses of the express agency increased 7.7 percent, and express privilege payments to all transportation agencies 52.8 percent. In contrast, domestic express revenue increased 1.8 percent in 1951 over 1950, and the number of less-than-carload express shipments was lower by 10.8 percent. In the first quarter of 1952 the number of such shipments increased by 3,115,000, or 15.1 percent over the number in the same quarter of 1951. In the second quarter the increase was 14.9 percent.

This apparent reversal of a long-standing trend is of great interest. An application of the Postmaster General for approval of a further increase in parcel-post rates is now awaiting hearing pending the development by the Post Office Department of necessary data respecting service costs. Action by Congress and the Post Office Department appears to have afforded the Railway Express Agency an opportunity to rehabilitate its traffic. It has been putting forth special efforts to this end. What bearing these developments will have on the future of the agency is, of course, not clear at this time. There is a serious responsibility resting on the railroads to inform the shipping public and the officers and employees of the Railway Express Agency at an early moment as to the intentions of the contracting railroads with respect to their continuing the express business in its present or some other form, and to take prompt steps to protect the users of express service against any unwarranted service disruptions resulting from any changes that may be contemplated in the express contract which will expire in February 1954. We urge the railroads to give immediate attention to this vexing problem.

Operating efficiency.—Further dieselization of motive power and other improvements in facilities, a high volume of traffic, the exertions of railroad staffs, cooperation of shippers, and certain of our service orders have enabled the railroads to maintain, apart from the effects of work stoppages and adverse weather and other conditions, high ratings in various of the significant indexes of line-haul operating performance. Substantial improvements in terminal operations also have occurred at various locations. The Diesel locomotive in particular has given railroad operations a marked lift, and has made a contribution which will be difficult to match in the immediate future with any other single advance in railroad technology. There are many indications of further successful efforts to improve varied phases of railroad practices. Competitive conditions require continued endeavors to find every possible economy. Further efforts to bring about the substantially complete elimination of the hotbox problem would go far to reduce costs, improve safety and reliability of service, and simplify operations. The chain of events which followed a

wreck in a tunnel on a western railroad caused by a hotbox demonstrated how serious a problem the hotbox is for railroads generally.

Motor carriers of property.—The volume of traffic of class I intercity motor carriers of property as a whole was at an all-time high in 1951, though the increase in tons carried, 7.8 percent, was materially less than the increase of 27.9 percent from 1949 to 1950. In the second half of 1951 there was, however, a decrease of 0.19 percent under the same period in 1950, and a further decrease of 3.9 percent occurred in the first half of 1952 in comparison with that half of 1951. Revenues increased 12.4, 3.4, and 4.4 percent in the year 1951 and the respective half years. The total revenue in 1951 was nearly \$2.7 billion. Expenses advanced 15.2, 6.5, and 5.0 percent in the respective periods. The operating ratio rose from 93.0 percent in 1950 to 95.4 percent in 1951; in the first half of 1952 it was 94.7 percent as compared with 94.2 percent in that half of 1951. For common carriers of general commodities the ratio was 94.4 percent, for common carriers of special commodities 95.4 percent, and for contract carriers 95.8 percent, as compared with 94.1, 94.1, and 94.8 percent, respectively, in the same period of 1951. Revenue per ton for all class I common-carrier service increased 7.8 percent in the half of 1952 over the same period of 1951; for contract-carrier service the increase was 10.9 percent. These average increases are affected by duplications in reporting interchange traffic and by any changes that may have occurred in the composition of traffic and in average haul. Revenue per ton-mile, according to a preliminary staff estimate, was 5.158 cents in 1951. The corresponding average for class I railroads was 1.336 cents.

Generally speaking, the motor carriers of freight subject to our jurisdiction were able during this report year to obtain the equipment, facilities, parts, and manpower required to enable them to make a continuing important contribution to the defense effort. Total sales of trucks in the first 7 months of 1952, limited by allotments of materials for building trucks, were about 28 percent below sales in the same period of 1951. Difficulties developed, but they were not general in nature. Various carriers experienced difficulty in adjusting to changes from civilian to defense production, and the steel strike had adverse effects. The part to be played by trucks in the civilian defense program received further consideration. Wage rates paid by the industry increased, often after work stoppages. Higher operating costs led us to grant general advances in rates in a number of areas. The shippers generally were opposed to these increases. There also was considerable controversy over special charges placed on smaller shipments. A new classification, designed to meet the uniform railroad classification, became effective in some areas. The States in

various instances allowed all or part of the rate increases requested for intrastate application.

An increase occurred in the amount of trailer interchange associated with long hauls and much attention was given to improving the techniques of such interchange. Construction of terminals adapted to motor-carrier needs continued. Improvements in motor vehicles also occurred, and greater standardization and adaptation of vehicles and their parts to the specific requirements of the carriers received emphasis. Our revised regulations as to qualifications of drivers, standards of equipment, and safety of operations became effective July 1. Various of the States considered changes in maximum truck speeds and exerted increased efforts in enforcement of their various regulations. Our own educational and enforcement work in the safety field was hampered by shortage of personnel. Motor carriers gave continued attention to the need for safe operations. Hearings on applications for authority to transport explosives evoked much interest and opposition. Our decision in *Lease and Interchange of Vehicles by Motor Carriers*, 51 M. C. C. 461, is before the United States Supreme Court for review.

The motor-carrier industry continues to stress the need for improved and well-planned highways. Construction of toll roads advanced, and other States are planning to build such roads. There was some consideration of changes in State size and weight laws. A bill which would provide Federal regulation in this field met with opposition from varied sources. Further experiments with test roads are looked to as a means of throwing light on road design problems. Increases in taxes and changes in taxing methods are of much concern to the industry and have led to court actions.

Opposition to railroad penetration into motor transportation was expressed on both the Federal and the State level. Objection to what are termed selective adjustments of rail rates continued. There also were continuing intraindustry disputes, expressed, among other ways, in a desire for changes in the law. Contract carriers asked for relief from control of their maximum charges under the price-control laws. Various unifications of carriers occurred. The clearinghouse device spread to more cities, and continued attention was given to improved cost-control methods. The financing problems of the industry received additional attention, and there were further instances of use of methods of financing not available in the earlier days of the industry.

The operating revenues of class I local motor carriers of property were 13.2 percent higher in 1951 than in 1950, 4.9 percent higher in the second half of 1951 than in that period of 1950, and 1.0 percent higher in the first half of 1952 than in that period of 1951. Expenses

increased 13.2, 5.9, and 1.9 percent in the respective periods, and the operating ratio, 95.7 percent in 1950 and 95.8 percent in 1951, was 95.1 percent in the first half of 1951 and 95.9 percent in that period of 1952.

The total revenues of all class I, II, and III motor carriers of property, intercity and local, were, according to a staff estimate, \$4,169.2 million in 1951, or 11.6 percent more than in 1950. Intercity revenues in common-carrier service were \$3,459.6 and \$3,063.3 million in 1951 and 1950, respectively, and in contract-carrier service, \$226.3 and \$199.3 million. These revenues were the highest of record. The increase of 8.8 percent in intercity ton-mile of intercity carriers, 1951 over 1950, also resulted in a new record.

Motor carriers of passengers.—The declines in revenues of class I intercity motor carriers of passengers, noted in our last two annual reports, were reversed in the latter half of 1951. While the number of passengers carried in intercity scheduled service declined 2.1 percent under the number in the same period in 1950, the revenue in this service increased 10.4 percent, total revenues rose 10.6 percent, and operating expenses rose 8.5 percent. The operating ratio fell from 86.4 to 84.6 percent, and there was an increase of 14.8 percent in net income after taxes. The increases, except in net income and expenses, were greater in the third than in the fourth quarter, each compared with the corresponding quarter of 1950. As the expenses increased less, percentagewise, than in the third quarter, net income showed an increase greater in percent. Revenues aggregated \$399,769,000 in 1951. In the first two quarters of 1952, in comparison with those quarters of 1951, intercity scheduled-service passenger revenues rose 1.7 percent, and total operating revenues 2.0 percent, while expenses advanced 1.0 percent. The deficit in net income was greater in the first quarter, but net income increased 5.0 percent in the second quarter, and was 14.3 percent higher in the half year, in comparison with the respective periods of 1951. The operating ratio for the first quarter of 1952 was 97.2 percent, for the second quarter 87.0, and for the half year 91.7, compared with 98.5, 87.8, and 92.6 percent in the respective 1951 periods. Average revenue per passenger-mile, according to a preliminary staff estimate, was 1.93 cents in 1951. The corresponding average for railroad coach service (except commutation) was 2.47 cents.

The intercity bus industry shared many of the problems, such as increases in wage rates and other costs, changes in taxes, and need for improved highways, which are mentioned in the discussion of motor carriers of property. It also had the continuing problem of meeting private-car competition. Special services, such as charter operations for military movements, received added attention. Better vehicles

and other facilities were at the command of the industry. Means of reducing costs were given further consideration. There were unifications of bus properties in the year. As shown above, a reversal of the postwar downward trend in business occurred in the latter half of 1951. There was no shortage of new vehicles in terms of current demands.

Local or suburban class I motor carriers of passengers reported an increase of 2.8 percent in total operating revenue in the second half of 1951, compared with that period of 1950, but, with an increase of 4.8 percent in expenses, the operating ratio rose from 95.9 to 97.7 percent. Net income after taxes increased, however, 1.9 percent. Revenues aggregated \$79,093,000 in 1951. Revenues decreased 5.3 percent in the first half of 1952 under what they were in that period in 1951, expenses decreased by 2.6 percent, the operating ratio advanced from 98.8 to 101.5 percent, and an income deficit was reported. The past year has seen some advances in fares.

Passenger revenues of class I, II, and III motor carriers, both intercity and local or suburban, from intercity scheduled services increased, according to preliminary staff estimates, from \$399.4 million in 1950 to \$432.6 million in 1951, or 8.3 percent. Total operating revenues increased 7.3 percent. For the first time in the postwar period, intercity passenger-miles, as estimated, showed an increase (1.2 percent) over the preceding year. This increase was less than that in rail travel.

Water transportation.—The picture in several branches of water transportation continues to be primarily one of finding means of coping more adequately with the effects of increased costs. Our efforts to enable these carriers to find relief through rate adjustments necessarily are subject to statutory limitations, as we have pointed out in various decisions. Other water carriers subject to our jurisdiction are generally in good condition. Benefit has been derived in all areas from the further increases authorized in Ex Parte No. 175, effective generally on May 2. An interesting development has been the filing of several applications for new operating rights in the intercoastal trade. The steel strike and work stoppages in water transportation had important effects. Allocations of steel have not sufficed to enable meeting of needs for expansion of vessels in the inland and harbor trades. The diversion of vessels to overseas operations, noted in our last report, has been reversed as world shipping conditions have deteriorated. The matter of filing of contracts by contract carriers (Ex Parte No. 161) has been under investigation again during the year.

Conditions and developments in the several trade areas may be surveyed briefly. Comparing identical carriers, tons carried in the

Atlantic and Gulf coastwise and inland trades in 1951, 11,860,257. were 7.6 percent above the 1950 level, but a substantial decline in the second quarter of 1952 brought the half year's tonnage to a point 5.9 percent below that for the same period of 1951.¹ Revenues, freight and passenger, were 1.1 percent greater in 1951 or very little more than in 1950. They advanced 4.1 percent in the first half of 1952. Operations continue at a relatively low level in terms of the prewar situation. The over-all operating ratio increased from 96.9 percent in 1950 to 97.3 percent in 1951. Net income, after income taxes, \$659,035 in 1950, became \$585,638 in 1951. These figures necessarily fail to reveal variations in the conditions of individual carriers. Work stoppages occurred during the year, with adverse effects on carriers and on shippers' attitudes toward water-carrier service. Increases in wage rates and fringe benefits added to operating costs. The principal addition to service in the year was made by Seatrain Lines, Inc., following our granting, over strong railroad opposition, of temporary operating rights pending action on the application for permanent authority. There were a few grants of other new rights or transfers or modifications of existing rights, and grants of temporary authorities, as well as denials of applications to operate. One carrier temporarily removed its vessels from this service for use in overseas operations. We approved requests of water carriers for the maintenance of ocean-rail class rates which reflect the differentials under all-rail rates which prevailed prior to the effective date of the rates prescribed in *Class Rates Investigation, 1939*. The railroads filed the necessary tariffs under protest. Other matters which involved rail and water rates were disposed of during the year. In proceedings brought in this area, clarifications were made of the nature of towing operations and of the conditions under which lump-sum towing charges are lawful.

The carriers of ore, coal, grain, and other commodities in bulk on the Great Lakes generally fall outside our jurisdiction. They were faced with heavy demands for iron ore, but encountered a shutdown of operations for approximately 2 months as a result of the steel strike. Vigorous efforts subsequently were made to overcome this handicap. All-rail movements of ore again were made during the year. Substantial transportation of new motor vehicles between lake ports occurred during the year. The "package" business continues at a low level. The 19,153,926 tons of freight carried in 1951 were 1.3 percent below 1950 tons, though revenues, freight and passenger, were higher by 9.1 percent. In the first half of 1952, tons were 8.1 percent below the level of the first half of 1951, and combined freight

¹ See footnote, p. 12, 64th annual report, for explanation of the statistics here used. Class C carriers are not included in any of the statements made and carriers which engage in both domestic and foreign operations are included in the statement of revenues and tons only.

and passenger revenues were down 15.9 percent. The over-all operating ratio decreased from 84.2 percent in 1950 to 83.0 percent in 1951. Net income, \$2,790,808 in 1950, was \$2,612,037 in 1951, equivalent to 8.4 and 7.6 cents per dollar of operating revenue.

Carriers subject to our jurisdiction which operate on the Mississippi River system and related waterways continue to be in a basically sound condition and to share in the general and continuing gains in traffic on these waterways. The greatest part of this traffic moves in large lots, though there has been some interest, shown partly in efforts to establish a freight-forwarding type of service, in the handling of smaller shipments. Improved equipment has come into use, and more extensive terminal facilities have been provided or are being planned. Various industrial establishments have constructed docks, and means of effecting more efficient loading or unloading have been developed. Inability to obtain needed allocations of steel put an effective check on the production of vessels. The allotments fell considerably short of what the industry and Government representatives considered necessary for the defense effort. The steel strike also caused disturbance of an important class of traffic. There have been a few grants of new operating rights, and two major acquisitions of control of carriers were authorized. There was both water- and rail-carrier opposition to various of the grants of additional rights. Competitive rail- and water-rate adjustments continued to receive our attention. The increase of 32.4 percent in tons carried, 1950 compared with 1949, was followed by a 7.5-percent increase in 1951 over 1950, or to 33,502,855 tons. Revenues, of which passenger-revenue constituted a relatively small part, increased 9.5 percent from 1950 to 1951. A loss in tonnage in the second quarter of 1952 brought the half-year's total to a point only 1.6 percent above the level of that period in 1951, though revenues were higher by 3.7 percent. The over-all operating ratio was 82.3 percent in both 1950 and 1951. Net income was \$5,209,962 in 1950 and \$5,798,208 in 1951, equivalent to 8.1 and 8.3 cents per dollar of operating revenue.

Conditions in the Pacific coastwise and inland services underwent further adjustments in the year. A few new operating rights were granted, a few others were transferred, and certain retirements from operations occurred. Some temporary authorities were granted. Labor-management difficulties of a serious nature occurred again, and work stoppages ranging from brief to long duration were experienced. Negotiation of other labor contracts was effected. Costs were increased. The industry hopes to have an interval in which shipper objections to interrupted and uncertain service may be overcome. The carriers in this area transported 15,590,537 tons of freight in 1951, or 22.9 percent more than in 1950, freight revenue was higher

by 11.3 percent, and combined freight and passenger revenues were 6.2 percent above the 1950 level. Declines in tons carried occurred in both quarters of 1952, and tons in the half year were down 16.5 percent from that period of 1951. The first half of 1951 had shown, however, a large increase over the same period of 1950. Losses of 11.3 percent in freight and 9.1 percent in freight and passenger revenues occurred. The over-all operating ratio decreased from 91.9 percent in 1950 to 88.3 in 1951. Net income, \$2,448,332 and \$1,486,737, was equivalent to 9.2 and 4.6 cents per dollar of operating revenue in the respective years.

In contrast to an increase of 11.3 percent in tons and 16.0 percent in freight revenue from 1949 to 1950, the Atlantic-Pacific and Gulf-Pacific trades together experienced a reduction of 9.5 percent, or to 4,257,256 tons, from 1950 to 1951, with a 6.4 percent decline in freight revenues. Passenger revenue in this trade continues to be small, \$413,177 in 1951. The declines continued in the first and second quarters of 1952, and resulted in tons and freight revenue 15.9 and 7.2 percent lower in the half year than in that period of 1951. Revenue per ton was \$23.10 as compared with \$20.93 in the 6 months of 1951. Advances in rates were made under the permission granted in our further decision in Ex Parte No. 175, and other rate adjustments, as by cancellation of through rates with carriers serving certain interior ports, were made in an effort to improve conditions. Many requests for temporary authorities were approved to enable relief of a tight tonnage situation in the east-bound lumber movement, and ships were added by regular carriers for the same purpose. Applications for permanent common or contract authority to conduct new operations and applications for modification of existing rights were heard during the year. Shippers on both coasts and also port authorities showed an interest in these applications. Present carriers varyingly opposed the applications. Intercoastal carriers were affected by labor developments on the west coast. Discussion of changes in the tolls for use of the Panama Canal occurred during the year.

Freight forwarders.—In 1951, 59 forwarders reported 20,536,877 shipments constituting 4,835,949 tons, with transportation revenues of \$333,904,532. The upward trends which began in the first half of 1950, as noted in our last report, continued, with respective increases of 4.8, 11.5, and 16.9 percent over the 1950 levels. In the first half of 1952, as compared with the same period of 1951, the number of shipments and revenues increased by 10.3 and 6.1 percent, respectively, but tons handled declined by 6.4 percent. The average weight per shipment, which had increased from 442 pounds in 1950, to 471 pounds in 1951, declined from 486 pounds in the first half

of 1951, to 456 and 412 pounds, respectively, in the second half of 1951 and the first half of 1952. The percent of revenue paid for purchased transportation was 76.5 in 1950 and 1951, and 75.2 in the first half of 1952. Operating expenses constituted 21.6, 22.3, and 21.8 percent of the revenues in 1950, 1951, and the first half of 1952, respectively. Net income per dollar of revenue, after income taxes, was 1.5, 1.0, and 1.2 cents. Revenues per 100 pounds of \$3.33 for the first half and of \$3.45 for the year 1951 increased to \$3.77 for the first half of 1952. For 1950, 1951, and the first half of 1952, the total payments to carriers were divided in the ranges of 69.0–69.7 percent to rail carriers, 15.8–16.5 percent to motor carriers, and up to 1.28 percent to other carriers; for pickup and delivery and transfer services the payments were 13.3–14.0 percent of the total. The three largest companies received 60.4, 58.6, and 57.5 percent of the total revenues in 1950, 1951, and the first half of 1952, respectively, and handled 56.2, 54.5, and 52.8 percent of the total tonnage.

The forwarders did not take, on important segments of their traffic, the full increases authorized by our decision in Ex Parte No. 175. A number of controversies which involved relations between freight-forwarder and motor-carrier rates were before us during the year. A proceeding concerning the arrangements between various freight forwarders and the carriers from whom they purchase transportation has been instituted.

Private car owners.—Variations from quarter to quarter in the number of reports of “persons which furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company” affect to some extent the comparisons here made. Revenues of such persons having 10 or more cars increased to \$190,248,000 in 1951, or by 10.5 percent over the total for 1950. Car-miles, 6.1 billion, increased only 0.6 percent. Revenue of \$95,986,000 in the first half of 1952 was 1.4 percent more than the revenue of that half of 1951, and car-miles were 0.8 percent higher. The number of cars covered in the reports increased from 258,839 (228 persons) at the end of the first half of 1950 to 283,789 (238 persons) on the same date in 1952. Further data are given in the appendix.

Pipelines.—Reports of 76 pipeline companies indicated that they originated 2.1 billion barrels of crude and refined oils in 1951, or 16.3 percent more barrels than were originated in 1950 by the same number of reporting companies. Revenues aggregated \$523,973,000, or 18.6 percent more than in 1950, and expenses totaled \$290,144,000, an increase of 13.9 percent over 1950. The operating ratio, 57.7 percent in 1950, was 55.4 percent in 1951. Revenue per barrel averaged 24.2 cents in 1950, and 24.7 cents in 1951. In both years, petroleum products accounted for 16.3 percent of the barrels. Rev-

venues of carriers with annual operating revenues of over \$500,000 were 11.7 percent higher in the first quarter of 1952, but were lower by 3.5 percent in the ensuing quarter, and only 4.0 percent higher in the half year, each period in comparison with the same period of 1951. The respective changes for barrels originated and received from connections were an increase of 12.3 percent, a decrease of 5.5 percent, and an increase of 3.1 percent. Eleven large carriers engaged solely or primarily in the transportation of refined petroleum had revenues of \$67,330,000 in 1950, and \$71,693,000 in 1951, and 12 such carriers had revenue of \$38,948,000 in the first half of 1952. The operating ratio of the 11 companies was 53.4 percent in 1950, and 53.9 percent in 1951. The revenues of these 11 companies were 15.2 percent of the total for all reporting pipelines in 1950, and 13.7 percent in 1951. Other data appear in the appendix. During the year, defense agencies made various studies of needs and use of petroleum and products, and requirements of the pipeline industry. There has been replacement of small-sized lines with large-diameter lines, and some new lines have been laid. Considerable construction is still in progress. We have no jurisdiction over the construction of petroleum lines.

Labor-management relations.—There were work stoppages in many industries during the year. The 2-month midsummer steel strike in particular created severe problems for the railroads and other carriers, both by dislocations of traffic and by reductions in steel for the building of equipment and for other purposes. Our own work necessarily is affected by these breakdowns in traffic and by the adjustments in service which must be made when operations again get under way.

There have been strikes and threats of strikes in railroad transportation during the year. The principal development has been the conclusion of the long controversy between the railroads and four of the operating unions. The background of this dispute has been given in our last two reports. Agreement was reached as to one union in May 1951. The wage issues involved became less of a factor in preventing further settlement than railroad proposals for changes in certain working rules. These proposals arose in part out of marked changes in recent years in the motive power and other facilities of the railroads. The matter of adjustment in base pay upon reduction of the workweek of the involved employees from 48 to 40 hours also, however, was a factor in holding up settlement. Resort was had to the mediation and emergency board procedures set up in the Railway Labor Act, without settlement. The labor organizations questioned the continuation of Government seizure as a deprivation of their economic strength in bargaining, and carried the issue as to the constitutionality of seizures and the use of injunctions to the United

States Supreme Court. The Court dismissed the plea as moot. Settlement had been effected on May 21 under the auspices of a representative of the President, and Government seizure formally ended on May 23. A proposal to provide seizure powers over transportation agencies in a period other than a time of war was not adopted when certain emergency powers of the President were extended in July 1952.

The events briefly chronicled above and other developments, particularly the steel strike in its bearing on the defense program, have led to much public consideration of means of preventing breakdowns of operations in essential industries. As we said in our last report, "our official interest in these matters necessarily is substantial. This interest pertains to our responsibility for use of our emergency powers to alleviate the adverse effects of interrupted rail transportation, as well as to our duty to prescribe rates with due regard to cost of service." We referred also to the "grave shipper and public interest in finding means of preventing recurrence of the many stoppages of rail service which have been experienced during and since World War II." There has been a railroad proposal, stated to have been reached reluctantly, that, other steps failing, compulsory arbitration be provided as the only means of coping with threatened breakdowns of service. It has been suggested that the findings so reached might be made binding for a limited period—6 months or a year. We, of course, express no opinion on this matter or on any other proposal but, as stated in our reports for the 6 preceding years, there is need in the public interest of "a careful new appraisal of the possibility of avoiding strikes in transportation without unduly trespassing on the rights of contending groups." More than legislation is required. Carrier management and the leaders of organized labor necessarily have a large share of the responsibility but, we added, any new legislative remedy which may be found necessary "should encourage and implement efforts on the part of these groups to work together in what is basically a common cause."

Taxes affecting transportation.—The special percentage tax on the transportation of property yielded \$388,589,000 in the year ended June 30, 1952, the tax on the transportation of passengers \$275,174,000 and the tax on the transportation of oil by pipeline \$26,881,000. The total, \$690,644,000, was 7.3 percent higher than the collections in the preceding year. We have noted in earlier reports, and herein at page 49 the adverse effects of this tax on carriers and shippers. It is a source of substantial revenues, but it results in discrimination against users of for-hire services and long-haul shippers. There are other taxes on transportation agencies and tax practices which bear more heavily on for-hire carriers, particularly common carriers. The

questions of tax policy involved necessarily lie outside the scope of our functions. We note these questions because of their bearing on the earning power of the carriers subject to our jurisdiction and their indirect effects on our own work.

We referred in our last report to tax changes which affect carriers. Elimination of the excess-profits tax when the present provision for it expires on June 30, 1953, has received discussion. Mention is made elsewhere herein of the use during the year of the provision for accelerated amortization of defense facilities acquired subsequent to December 31, 1949.

TRAFFIC AND EARNINGS OF TRANSPORT AGENCIES

For the 12 months ended June 30, 1952, the combined operating revenues of the eight groups of carriers subject to our jurisdiction totaled \$16,919 million, which was 10.78 percent above the level attained in the calendar year 1950, as shown in the accompanying table. All except two of the eight groups showed increases, the largest increase being shown by the pipelines (oil) 20.95 percent, followed by the Pullman Co. 20.64 percent, motor carriers of property 11.93 percent, steam railways 10.59 percent, motor carriers of passengers 8.78 percent, and the Railway Express Agency 4.18 percent. The two decreases were those of the electric railways 0.96 percent, and water lines 2.80 percent.

Private car lines and freight forwarders are not included in the table. On the basis of quarterly reports the operating revenues of private car lines amounted to \$192,794,167 for the fiscal year ended June 30, 1952, and the operating revenues of freight forwarders amounted to \$85,954,505 for the same period.

*Operating revenues*¹

Class of carrier	12 months ended June 30, 1952		Year ended Dec. 31, 1951		Year ended Dec. 31, 1950
	Amount	Percentage change from calendar year 1950	Amount	Percentage change from calendar year 1950	Amount
	<i>Thousands</i>		<i>Thousands</i>		<i>Thousands</i>
Steam railways ²	\$10,860,490	+10.59	\$10,773,287	+9.71	\$9,820,092
Railway Express Agency ³	231,975	+4.18	223,343	+ .31	222,661
Pullman Company.....	125,175	+20.64	118,392	+14.11	103,757
Electric railways.....	77,990	-.96	81,205	+3.13	78,742
Water lines ⁴	320,312	-2.80	329,555	+ .01	329,524
Pipelines (oil).....	534,148	+20.95	523,973	+18.65	441,627
Motor carriers of passengers.....	585,979	+8.78	578,100	+7.32	538,668
Motor carriers of property.....	4,182,758	+11.93	4,169,234	+11.56	3,737,052
Grand total.....	16,918,827	+10.78	16,797,089	+9.99	15,272,123

¹ Partly estimated. Some of the 1950 figures given in the 65th annual report have been revised.

² Includes switching and terminal companies.

³ After deducting payments to others for express privileges.

⁴ Includes only revenue from domestic traffic of carriers subject to the jurisdiction of the Interstate Commerce Commission.

The relative importance of the several modes of transportation in the United States can be only broadly estimated because uniform and complete traffic statistics for certain transport agencies are not available. The next table gives the estimated freight ton-miles and passenger-miles of all intercity carriers, public and private, except coastwise and intercoastal water traffic, for 1950 and 1951. (Available data for this latter traffic are shown separately in item 3 of sources of information for the table.) It should be noted that the various groups of carriers differ in regard to circuitry of routes, loading practices, speeds, and collateral services rendered. Consequently, a ton-mile or passenger-mile of one group cannot be regarded as the economic equivalent or even as the physical equivalent of a ton-mile or passenger-mile of another group of carriers.

The figures indicate that the total in 1951 of 1,119,007 million ton-miles, excluding coastwise and intercoastal water traffic, and excluding nonrevenue ton-miles of the railways, was 10.16 percent above the level of 1950. This total is an all-time high, 5.15 percent above the previous record of 1,064,205 million in 1944. The estimated increase in highway ton-miles was 5.69 percent, and in airway ton-miles 22.73 percent. Railway ton-miles, which with minor qualifications are actual, not estimated, showed an increase of 9.79 percent. Estimated increases for pipelines and water carriers were 17.76 percent and 8.97 percent, respectively.

Railways accounted for 58.57 percent of total intercity ton-miles in 1951, as compared with 58.77 in 1950. For the nonrail carriers, the corresponding percentage changes were as follows: Oil pipelines increased from 12.72 to 13.59 percent, and air carriers remained below 0.1 percent in spite of an increase in traffic, while the two other nonrail carriers showed decreases, highway carriers from 12.40 to 11.90, and water carriers from 16.08 to 15.91 percent of the total.

Of the total increase of 103.2 billions of ton-miles, 1951 over 1950, railways secured 58.4 billions, or 56.6 percent of the total increase; motor carriers, 7.2 billions, or 6.9 percent; water carriers, 14.7 billions, or 14.2 percent; oil pipelines, 22.9 billions, or 22.2 percent; and air, 0.07 billion, or less than 1 percent.

Total intercity passenger-miles in 1951 were estimated at 448,062 million, an increase of 11.9 percent over the 1950 level. The bulk of this increase was due to an increase of 12.4 percent in passenger-miles by private automobile, but all forms of transportation showed increases. Total passenger-miles, exclusive of private automobiles, increased by 9.2 percent. Airway passenger-miles increased by 32.0 percent. Other groups of carriers showed increases as follows: Inland waterways, 12.0 percent; railways, 8.7 percent; and motor carriers of passengers, 1.2 percent. In contrast, only airways and private auto-

mobiles showed increases in 1950 over 1949. It is estimated that private automobiles accounted for 84.66 percent of all intercity passenger-miles in 1951, compared with 84.27 percent in 1950. The percentage share of each of the other groups of carriers declined in 1951, as compared with 1950, except inland waterways, which remained at 0.30 percent, and airways, which increased from 2.01 percent in 1950 to 2.37 percent in 1951.

Volume of intercity traffic, public and private, by kinds of transportation

Agency	Ton-miles ¹				Passenger-miles			
	1950 ²	1951	Percent of grand total		1950 ²	1951	Percent of grand total	
			1950	1951			1950	1951
1. Railways, steam and electric, including express and mail	Millions 596,940	Millions 655,354	58.77	58.57	Millions 32,481	Millions 35,306	8.11	7.88
2. Highways:								
Motor carriers of passengers					21,254	21,499	5.31	4.80
Private automobiles					337,339	379,324	84.27	84.66
Motor transportation of property	125,995	133,160	12.40	11.90				
Total	125,995	133,160	12.40	11.90	358,593	400,823	89.58	89.46
3. Inland waterways, including Great Lakes	163,344	178,000	16.08	15.91	1,190	1,333	.30	.30
4. Pipelines (oil)	129,174	152,115	12.72	13.59				
5. Airways (domestic revenue service), including express and mail	308	378	.03	.03	8,030	10,600	2.01	2.37
Grand total	1,015,761	1,119,007	100.00	100.00	400,294	448,062	100.00	100.00

¹ For comparable figures back to 1939, see Statement No. 5046, Bureau of Transport Economics and Statistics, Interstate Commerce Commission.

² Some of the 1950 figures given in the 65th annual report have been revised.

SOURCES:

1. Interstate Commerce Commission reports. Electric railway ton-miles and passenger-miles estimated on the basis of revenue. Does not include nonrevenue ton-miles amounting to 31,525 million in 1950 and 31,026 million in 1951.

2. Highway ton-miles estimated on the basis of Bureau of Public Roads traffic data for main rural roads and local rural roads. Passenger-miles in private automobiles estimated from private automobile vehicle-miles in rural travel. Motor-carrier passenger-miles based upon reports to the Interstate Commerce Commission.

3. Preliminary estimates for 1951 inland waterways ton-miles based upon partial data from Office of the Chief of Engineers, U. S. Army; 1950 data are final from same office. Does not include coastwise and intercoastal ton-miles amounting to 221,448 million in 1949, as estimated by the U. S. Maritime Commission.

4. Includes refined products and crude oil, with an allowance for gathering lines.

5. Based on Civil Aeronautics Board data.

The volume of freight traffic handled by all line-haul railways in 1951 increased substantially over that in 1950. The number of revenue tons originated and the revenue ton-miles increased 8.89 percent, and 9.85 percent, respectively. Railway passenger traffic, as measured in revenue passenger-miles, increased 8.96 percent, although the number of passengers carried declined 0.52 percent. However, the average journey per passenger per road increased 9.53 percent. All of the 1951 indicators of physical performance of the railways in freight service appearing in the following table showed increases in comparison with the performance in 1950. This was true also in passenger service, except in the case of the number of passengers carried.

For class I roads the volume of freight traffic in the first half of 1952 was not as large as in the same period of 1951. The number of tons of revenue freight originated declined 6.20 percent, and revenue ton-miles were off 5.05 percent. However, in freight service the average loads per car and per train were somewhat higher in the later period. The average haul per ton of freight per road also increased slightly. All of the passenger-service performance indicators for the first half of 1952, except the number of passengers carried, showed improvement over those of the same period in 1951.

Railway performance changes

Item	All steam railways		Class I line-haul railways, first half of 1952	
	1951	Percent 1951 over (+) or under (-) 1950	1952	Percent 1952 over (+) or under (-) 1951
Tons of revenue freight originated (thousands)	1, 547, 238	+8.89	661, 353	-6.20
Revenue ton-miles (thousands)	649, 831, 354	+9.85	303, 378, 465	-5.05
Ton-miles of revenue freight per car-mile ¹	31.38	+4.70	31.08	+ .55
Ton-miles of revenue freight per train-mile	1, 211.06	+7.03	1, 228.65	+ .86
Average length of haul revenue freight	² 419.99	+ .88	³ 237.84	+1.11
Revenue ton-miles per mile of road	2, 748, 701	+10.08	1, 348, 205	-4.91
Number of revenue passengers (thousands)	485, 468	- .52	236, 628	- .91
Total passenger-miles (thousands)	34, 640, 031	+8.96	17, 096, 356	+3.92
Average journey per passenger (per road)	71.35	+9.53	72.25	+4.88
Average revenue passenger-miles per train-mile	97	+8.99	99	+7.61
Average revenue passenger-miles per car-mile (class I)	18	+5.88	18	+5.88

¹ This average is obtained by dividing the revenue ton-miles by the total loaded car-miles, the latter figure including some cars loaded with nonrevenue freight.

² All railways as a system.

³ Average haul per road.

The operating revenues of class I line-haul railways for the year 1951 reached an all-time high of \$10,391 million, which exceeded those of 1950 by 9.7 percent. The peak revenues for 1951 resulted from a relatively high level of traffic and from substantial increases in freight rates, fares, and charges, including additional mail pay, authorized by us primarily as an offset to the increased cost of railroad operations. Additional mail pay resulting from our decision of November 13, 1951, in docket No. 9200, added about \$80.5 million to the carriers' 1951 revenues. In 1950, however, the revenues included about \$148.7 million of retroactive mail pay, \$107.0 million of which was applicable to prior years and only \$41.7 million to the year 1950. Railway operating expenses in 1951, which totaled \$8,041 million, the highest of record, were 13.9 percent above those of 1950. Railway tax accruals amounted to \$1,203 million in 1951, the highest tax figure reported for any year since 1944, when the total was \$1,846 million. Net railway operating income (what is left from operating revenues after deducting operating expenses, taxes and net equipment and joint facility rents) amounted to \$943

million in 1951, as compared with \$1,040 million in 1950, \$686 million in 1949, and \$1,002 million in 1948. The amount of fixed-interest charges on funded debt, which has changed but slightly in recent years, was \$296 million in 1951. The carriers' net income after all charges totaled \$693 million in 1951, as compared with \$783 million in 1950, \$438 million in 1949, and \$698 million in 1948.

For the 12-month period ended June 30, 1952, operating revenues of class I roads aggregated \$10,474 million, and operating expenses and taxes combined totaled \$9,300 million. Both figures represent all-time highs for any like period. Net railway operating income for the fiscal year ended June 30, 1952, amounted to \$987 million, which exceeds the amounts reported for the calendar years 1949 and 1951, but is below the level of 1950 and 1948. The fiscal year net income of \$722 million exceeded that of each of the calendar years 1948, 1949, and 1951, but it was less than in 1950 when the earnings were augmented by large retroactive mail payments. The present indications are that the carriers' net earnings for the calendar year 1952 may exceed those of 1951. For the first 9 months of 1952 net railway operating income and net income were 20.8 percent and 27.5 percent respectively, above the earnings for the same period in 1951.

Class I line-haul railways

Item	12 months ended with June 1952	Year ending Dec. 31—			
		1951	1950	1949	1948
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Railway operating revenues	\$10,474	\$10,391	\$9,473	\$8,580	\$9,672
Railway operating expenses	\$8,077	\$8,041	\$7,059	\$6,892	\$7,472
Operating ratio	77.11	77.39	74.52	80.32	77.26
Railway tax accruals	\$1,223	\$1,203	\$1,195	\$832	\$1,029
Net railway operating income	\$987	\$943	\$1,040	\$686	\$1,002
Fixed interest on funded debt	¹ \$302	\$296	\$293	\$290	\$284
Net income	\$722	\$693	\$783	\$438	\$698
Federal income and excess-profits taxes ²	\$578	\$567	\$601	\$262	\$448
Net railway operating income before provision for Federal income and excess-profits taxes	\$1,565	\$1,510	\$1,641	\$948	\$1,450
Net income before provision for Federal income and excess-profits taxes	\$1,300	\$1,260	\$1,384	\$700	\$1,146

¹ Partly estimated.

² Included in railway tax accruals shown above.

The net working capital of class I line-haul railways as of July 31, 1952, was \$1,375 million, as compared with \$1,370 million on the same date in 1951, or an increase of 0.4 percent. Excluding material and supplies, the corresponding figures are \$483 million and \$472 million, or an increase of 2.3 percent. On both bases the net working capital position on July 31, 1952, was somewhat more favorable than on the same date in 1949, but it was below the level of 1950. Material and supply inventories were slightly lower on July 31, 1952, than 1 year earlier, but they were considerably higher than on the same date in

1949 and 1950. Cash and temporary cash investments declined from \$1,680 million in July 1951 to \$1,611 million on the same date in 1952. The July cash position was not as favorable in 1952 as in 1950, but it showed improvement over that of 1949. The ratio of current assets (both including and excluding material and supplies) to current liabilities as of July 31, 1952, was slightly higher than on the same date in 1951, but it was lower than in either 1949 or 1950. A similar statement applies also to the ratio of cash and temporary cash investments to current liabilities.

Class I line-haul railways as of July 31

Item	1949	1950		1951		1952	
	Amount	Amount	Percent of change from 1949	Amount	Percent of change from 1949	Amount	Percent of change from 1949
	<i>Millions</i>	<i>Millions</i>		<i>Millions</i>		<i>Millions</i>	
Total current assets.....	\$3, 156	\$3, 319	+5. 16	\$3, 579	+13. 40	\$3, 413	+8. 14
Cash and temporary cash investments.....	\$1, 537	\$1, 774	+15. 42	\$1, 680	+9. 30	\$1, 611	+4. 81
Material and supplies.....	\$832	\$706	-15. 14	\$898	+7. 93	\$892	+7. 21
Total current liabilities.....	\$1, 850	\$1, 842	- . 49	\$2, 209	+19. 41	\$2, 638	+10. 16
Net working capital:							
Including material and supplies.....	\$1, 306	\$1, 477	+13. 09	\$1, 370	+4. 90	\$1, 375	+5. 28
Excluding material and supplies.....	\$474	\$771	+62. 66	\$472	- . 42	\$483	+1. 90
<i>Ratios</i>							
Current assets to current liabilities:							
Including material and supplies.....	1. 71	1. 80	-----	1. 62	-----	1. 67	-----
Excluding material and supplies.....	1. 26	1. 42	-----	1. 21	-----	1. 24	-----
Cash and temporary cash investments to current liabilities.....	. 83	. 96	-----	. 76	-----	. 79	-----

The following condensed income account shows that class I line-haul railways reported \$10,738 million of operating revenue and other income for the 12-month period ended June 30, 1952. Of this amount, \$4,425 million was absorbed in costs of materials, depreciation, taxes, operating rents, and other operating expenses except wages and salaries. This left \$6,313 million for employees and investors, of which the shares of these two groups were \$5,062 million and \$1,251 million, or 80.2 and 19.8 percent, respectively. The employees' share of 80.2 percent in the fiscal year 1952 was higher percentagewise than in the calendar years 1948 and 1950, but it was not quite as large relatively as in the calendar years 1949 and 1951. Conversely, the investors' share of 19.8 percent in the 1952 fiscal year exceeded the percentages for the calendar years 1949 and 1951, but fell below the levels of 1948 and 1950. The financial results of the calendar years 1950, 1951, and the fiscal year 1952 were affected by the inclusion of the retroactive mail payments previously mentioned. If payroll taxes, which are

included with other taxes in the table, were treated as an addition to wages, the amounts available for employees and investors combined would be somewhat larger and the percentages of investors' share would be proportionately lower.

Condensed income account—Class I line-haul railways

Item	12 months ended June 30, 1952	Calendar year—			
		1951	1950	1949	1948
Revenues and other income.....	<i>Millions</i> \$10, 738	<i>Millions</i> \$10, 664	<i>Millions</i> \$9, 739	<i>Millions</i> \$8, 835	<i>Millions</i> \$9, 907
Cost of materials, depreciation, and other expenses except wages and salaries.....	\$3, 202	\$3, 233	\$2, 860	\$2, 869	\$3, 103
Taxes, including income, profits, and payroll.....	\$1, 223	\$1, 203	\$1, 195	\$833	\$1, 029
Total deductions.....	\$4, 425	\$4, 436	\$4, 055	\$3, 702	\$4, 132
Remainder for employees and investors.....	\$6, 313	\$6, 228	\$5, 684	\$5, 133	\$5, 775
Wages and salaries ¹	² \$5, 062	\$5, 012	\$4, 379	\$4, 192	\$4, 538
Investors' share:					
Rent for leased roads ³	\$121	\$116	\$123	\$121	\$131
Interest on obligations.....	\$337	\$331	\$334	\$329	\$324
Other deductions ⁴	\$71	\$76	\$64	\$53	\$84
For dividends and surplus.....	\$722	\$693	\$784	\$438	\$698
Total.....	\$1, 251	\$1, 216	\$1, 305	\$941	\$1, 237
Percent wages and salaries.....	80. 2	80. 5	77. 0	81. 7	78. 6
Percent investors' share.....	19. 8	19. 5	23. 0	18. 3	21. 4

¹ Chargeable to operating expenses and not including payroll taxes as follows, in millions: 12 months ended June 30, 1952, \$289; year 1951, \$236; 1950, \$262; 1949, \$253; 1948, \$265.

² Partly estimated.

³ Represents largely intercompany payments among railroads in the form of interest and dividends.

⁴ Miscellaneous deductions from income applicable to "other income" shown, contingent charges (capital and other funds) and amortization of discount on funded debt.

Comparisons of selected freight-train and passenger-train operating averages of class I line-haul railways for the first 7 months of 1952 and 1951, and for the calendar years 1951 and 1944, are shown in the table below. The volume of freight traffic as measured in revenue ton-miles in the January-July 1952 period was 6.6 percent below that of the same period of 1951, and as a result freight traffic density (net ton-miles per mile of road per day) also declined. Passenger traffic as measured in passenger-miles, however, increased 3.1 percent. Several of the significant indicators of operating efficiency in railway freight service showed improvement in the 1952 period over those of the 1951 period; i. e., total cars per train, gross tons (cars and contents) per train, train speed and gross ton-miles per train-hour. The latter is frequently referred to as the best single measure of railway freight transportation efficiency since it combines the speed factor with the total weight of the train behind the locomotive and tender, and reflects the average performance of each hour of train operation. Two important indicators of equipment utilization, car-miles per freight-car day and net ton-miles per freight-car day, were not quite as favorable in the 1952 period as in 1951. In both periods these measures of car utilization were considerably below the levels attained

in the war year 1944. However, the average load per car (net ton-miles per loaded car-mile) in the 1952 and 1951 periods compares favorably with the 1944 average. The following freight service performance indicators averaged higher in the 1952 period than in 1944, the peak year of traffic during World War II: cars per train, gross and net tons per train, train speed and gross ton-miles per train-hour.

In passenger service the average speed of trains (passenger train-miles per train-hour) was higher in January-July 1952 than in the other periods shown in the table. Because of an increase in passenger traffic, the averages covering the number of passengers per car and per train were higher in the 1952 period than in 1951. The high averages for the year 1944 were the result of heavy wartime travel.

The condition of both freight and passenger locomotives and passenger cars, as indicated by the percentages of unserviceable equipment, showed some improvement in the first 7 months of 1952, as compared with the condition of this equipment during same period of 1951. However, in the case of freight cars the percentage was slightly higher in the later period. The condition of both freight and passenger equipment was not as favorable in the 1952 period as in the year 1944.

Operating averages, class I railways

Item	First 7 months—		Calendar year—	
	1952	1951	1951	1944
Total ton-miles (billions)	345.7	370.1	646.6	737.2
Total passenger-miles (billions)	20.2	19.6	34.6	95.5
<i>Freight service</i>				
Net ton-miles per mile of road per day	7,595	8,160	8,270	9,441
Car-miles per freight-car day	41.9	43.5	43.8	50.6
Freight-car miles per train-mile:				
Loaded	39.3	39.4	39.5	34.9
Empty	21.8	19.8	20.3	18.2
Total	61.1	59.2	59.8	53.1
Gross ton-miles per train-mile ¹	2,789	2,742	2,774	2,409
Net ton-miles per train-mile	1,276	1,282	1,301	1,138
Net ton-miles per freight-car day	876	943	954	1,086
Gross ton-miles of locomotives and tenders per locomotive-mile	302	300	301	267
Net ton-miles per loaded car-mile	32.5	32.6	33.0	32.7
Percent loaded of freight car-miles	64.3	66.5	66.0	65.8
Train-miles per train-hour	17.6	17.0	17.0	15.7
Gross ton-miles per train-hour ¹	48,616	45,867	46,424	37,298
Percent unserviceable:				
Freight locomotives ²	17.5	19.2	19.1	12.4
Freight cars on line ²	5.0	4.6	4.6	2.5
<i>Passenger service</i>				
Revenue passenger-miles:				
Per train-mile	99.8	94.3	97.1	199.8
Per car-mile	18.3	17.6	18.1	32.2
Passenger train-miles per train-hour	38.2	37.6	37.7	34.8
Percent unserviceable:				
Passenger locomotives	16.0	18.1	17.5	12.8
Passenger cars	8.2	8.3	8.2	5.0

¹ Excludes locomotives and tenders.

² Average during year.

DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Following the policy of the first year of operation under the Defense Production Act, 1950, as amended, the Defense Transport Administration, which is headed, as Administrator, by the Commissioner in administrative charge of the Bureau of Service of the Commission, maintained continuing analyses of defense production and civilian transportation, storage, and port requirements, and the ability of the railroads, street and highway transport, inland water carriers, ports, and warehouses to meet such requirements.

Railroad transport.—The over-all program for rail transport, designed to increase the efficiency of railroad operation with primary emphasis on the efficient use and equitable distribution of equipment and the prompt establishment of arrangements for emergency re-routing or diversion of traffic, has been of particular importance throughout the year because the shortages of critical materials have resulted in a continuing lag in the programmed expansion of railroad equipment and facilities, and it has been imperative to “stretch” the existing ownership. Development of the program continued to involve a careful combination of Interstate Commerce Commission service orders, referred to elsewhere in this report, administered by the Washington office and the Interstate Commerce Commission field offices, and the encouragement of voluntary cooperative effort.

Voluntary effort by shippers and carriers in the handling and movement of rail traffic has been encouraged and fostered through railroad, shipper, and other organizations.

The program encompassed not only plans for increased ownership of rolling stock, but also heavier loading of carload and less-than-carload freight, prompt relocation of rolling stock following emergencies and in advance of seasonal demands, prompt release of cars by consignees at ports and inland points, the “clean-car campaign” to eliminate delays incident to switching cars to cleaning tracks, the maintenance at the lowest practical level of bad order cars, arrangements for movement of an extraordinary volume of iron ore all-rail following work stoppages in the steel industry and the concurrent tie-up of Great Lakes ore movements, and corrective action in local situations involving car or traffic delay.

The effectiveness of the program is evidenced by the decrease in reported car shortages under the previous year, by the lack of freight service complaints at Shippers Advisory Board meetings, and by the movement of a bumper grain crop with a minimum of blocked elevators and grain on the ground. Speedy restoration of normal rail service in emergencies, such as the Missouri River floods and the California earthquakes, have resulted in a minimum of interference with over-all rail traffic. Continued heavy exports of coal, grain, and other traffic

have been effected smoothly and without troublesome congestion in port areas. The movement of iron ore has been accelerated to offset in part the effects of the work stoppage in steel. Military traffic transport requirements have been fulfilled. Adequate rail transportation has been furnished despite the lag in the expansion of railroad plant arising from the shortage of critical materials.

Street and highway transport.—In the field of street and highway transport, the responsibilities of the Administration include the movement of property by for-hire and private carriers by motor vehicle, the movement of passengers by urban transit systems, taxicabs, urban and intercity busses, school busses, rental cars, ambulances, and private automobiles, and hearse service. As of January 1952, there were about 9,150,000 commercial vehicles, and about 42,000,000 private automobiles employed in such movements in the United States, not counting those so employed in the Territories and possessions.

Analysis of the traffic demands upon and the capacity of the street and highway transport industry is a continuing necessity. Report of a major analysis in the private passenger automobile field (Brookings report entitled "Automobile Transportation in Defense or War"), initiated last year, was submitted in the current year and given wide distribution to industry, Government agencies, and individuals, and has been generally used as a basic source by the Administration and other Government agencies. Studies completed by the Administration during the year include an analysis by ton-miles of truck and truck-trailer operation on local and rural roads from 1936 to 1950, a truck terminal congestion study based upon a field survey of 336 such terminals in the Chicago area, and a study of tank-truck equipment available for liquid cargo. Studies are continuing with respect to the volume and pattern of fresh vegetable transportation, to the savings in equipment and manpower by the movement of trailers by rail, to the volume and distribution of for-hire and rental vehicles, and to the feasibility of expanding data on for-hire carriers of property from class I carriers to all for-hire carriers of property, interstate and intrastate. A joint project has been undertaken by two divisions of the Administration seeking means of relieving delay and congestion of trucks at piers in the ports.

Programs for voluntary action to improve vehicle utilization, to extend hours of operation at terminals, and to facilitate interchange of vehicles for the relief of terminal congestion have been continued during the year.

To overcome extremely heavy Christmas holiday passenger loads arising from military, college, and other customary Christmas traffic, the Administration appealed to the public to spread their travel, and to the Department of Defense to stagger departure times at its

installations. At every important installation, members of the field staff of the Bureau of Motor Carriers, acting for the Administration, cooperated with military officials and the transportation lines to assure adequate transportation.

A notable achievement of the year was the completion, in cooperation with the Department of State and State governments involved, of an agreement with Canadian authorities to permit United States trucks to operate through Canadian territory between Detroit, or Port Huron, Mich., and Buffalo, or Niagara Falls, N. Y., thus effecting a saving of 200 truck-miles per trip.

During the year, Defense Transport Administration considered 280 requests by motor carriers for special State permits for the movement of truckloads exceeding the State size and weight limitations. Only 26 of such requests involving urgent shipments of defense materials were recommended to the States for approval, all of which were granted.

Interruptions to normal patterns of movement whether from natural causes, such as floods or earthquakes, or other causes, offered severe tests of emergency rerouting and traffic diversion methods. In February, a serious disruption of highway freight transport arising from a series of work stoppages affected some 22 States. The field staff maintained contact with operating conditions and with military and defense establishments for the purpose of effecting full utilization of alternate services of railroads or highway carriers not affected by such stoppages. A limited number of temporary operating authorities to permit continuance of essential transportation to industry were granted by the Commission. The extremely severe floods of the Missouri and Mississippi Rivers in April disrupted highway transportation along the Missouri in the Omaha and Council Bluffs area. With the aid of members of the staff of the Bureau of Motor Carriers and an Administration staff member from Washington, through traffic was diverted around the affected area, less essential freight was diverted or embargoed, and populated areas were protected from disaster by an all-out emergency movement of men and materials.

Inland water transport.—The most important activity of the Administration during the year in the field of inland water transport related to the movement of iron ore, grain, and coal on the Great Lakes. Between 80 and 90 percent of all Lake Superior production of iron ore used for steel production in the United States moves to the mills on lake vessels. To assure effective support to the current expansion of production for defense, continuing attention to this movement and to the conservation of vessel equipment is imperative. The recent work stoppage in the steel industry reduced the movement by some 22,000,000 gross tons under that of 1951. In consequence,

about 10,000,000 gross tons less went into the customary stockpile for use during the winter season of closed navigation. To overcome this deficit as much as possible, the Administration obtained "loadline" concessions from the Coast Guard to enable vessels to carry more ore per trip, requested the Coast Guard to make area ice surveys in the latter part of the navigation season and to furnish the information obtained to ship operators, and to provide ice breakers to keep the Chicago port open as long as possible.

The Administration's responsibility for other inland water transport has been exercised to maintain and enlarge the capacity, ability, and efficiency of water-transport systems to operate over some 28,000 miles of navigable rivers, canals, bays, and sounds. These systems are engaged chiefly in the carriage of bulk commodities such as petroleum, coal, chemicals, metallic ores, and grain.

Warehousing and storage.—Defense preparedness depends in a great measure upon the availability of storage facilities sufficient to handle and preserve commodities in large volume for the mobilization base. Greatly expanded production and procurement programs to build up reserves are in progress and demand storage protection. Defense Transport Administration has been engrossed in the problem of fulfilling present and future demands, and is assembling and analyzing data as to space requirements and the ability of existing plants to satisfy them, and is encouraging private industry to acquire or construct additional facilities in areas of short supply. Notwithstanding the storage of defense materials in Government-owned facilities and the continual development of plans for future construction of such facilities, substantial amounts of commercial warehouse space are needed to meet extraordinary defense requirements. A complete survey of Nation-wide public storage space for general merchandise and household goods has just been completed. The findings were published in a pamphlet entitled, "The Storage Picture." It is the first survey of its kind in the last 10 years to reveal the total existing space and the extent of occupancy.

Much time and effort were devoted in aid of the Department of Defense in the formation of defense warehousemen's associations under section 708 of the Defense Production Act for the storage of Government material by commercial operators in larger metropolitan centers. Agreement and Government contract forms were developed which guarantee availability of space in such centers, permit wider industrial distribution, more flexibility of operation, and substantial savings in costs.

Port utilization.—Progressively increasing coal exports to Western Europe attained such volume as to call for development of cooperative effort between the railroads, transshippers, steamship agents, and

Government agencies to effect greater efficiency in the handling of export coal at the chief coal-handling ports. The principal problem was the concentration of coal movement through the port of Hampton Roads while facilities in other North Atlantic ports were not taxed. The Interagency Committee on Port Utilization, formed under sponsorship of the Administration, after a survey made recommendations for improving port traffic handling which were accepted by private interests and the Government agencies concerned. As a result, one of the largest annual volumes of export coal, approximately 33,000,000 gross tons, in addition to the large volume normally transshipped in coastwise trade, was put through the ports in 1951 without congestion. The volume of export coal to be transshipped in 1952 is now expected to reach about 24,000,000 gross tons.

The movement of export grain through coastal ports in great volume has been accomplished without undue port facility or rail-car congestion under the provisions of General Order DTA 2 (issued under the Defense Production Act, 1950, as amended) and Interstate Commerce Commission Service Order 872. In 1951 such export grain amounted to 16,431,900 gross tons, and in the first 9 months of 1952 to 11,312,500 gross tons. Permits issued pursuant to and since the effective date of General Order DTA 2 (March 3, 1951) up to October 1, 1952, numbered 5,392, under which approximately 25,327,000 gross tons were handled through coastal port elevators. During the first 9 months of 1952, 2,567 permits were issued, under which approximately 11,312,500 gross tons were handled through such elevators.

The more important achievements of the Interagency Committee on Port Utilization are (a) ascertainment of port capacity for handling coal, (b) study of methods for keeping smaller ports alive, (c) review of Government agency proposals and actions to take over port facilities, and (d) inspection of the principal ports and smaller ports throughout the United States and the establishment of working relationships with port executives to ensure continued interest and co-operation between Government agencies on the one hand, and private operators on the other.

Equipment and materials.—The eased condition as to carloadings and car shortages, arising in large measure from the work stoppage in the steel industry, adversely affected the freight-car program. Allocation authorities have held the view that, on a short-range basis, there is no necessity to allocate as much critical materials for that program as formerly. The Administration, conscious of the need for an adequate car fleet, has, as claimant agency, nevertheless continued to prosecute vigorously its claims for materials for production of equipment in accordance with its program. In collaboration with Defense

Production Administration, it prepared a study and expansion goal calling for the production of 436,000 new freight cars of all types between January 1, 1950, and July 1, 1954. Actual production of 43,981 cars in 1950, 95,943 in 1951, and 58,557 in the first 9 months of 1952, a total of 198,481 cars, makes it clear that the goal will not be met. In view of the indicated decline in production in 1952 and early 1953, construction of about 13,000 cars a month is necessary. Materials were allocated for only 27,000 cars, including tank cars, for the fourth quarter of 1951, followed by a curtailed allocation of materials for 23,000 cars for the first quarter of 1952, a further curtailment to 21,500 for the second quarter, and 22,774 for the third quarter. The work stoppage in steel precludes a definite determination for the fourth quarter of 1952, and will have a further undeterminable effect in the early months of 1953.

Based upon a Defense Transport Administration study, the Defense Production Administration approved an expansion goal for the United States of 15,500 railroad locomotive units between January 1, 1950, and July 1, 1954. Up to October 1, 1952, 9,488 units had been built. To meet the goal, production of 936 units a quarter beginning October 1, 1952, or nearly the rate prevailing in 1951, when 3,619 units were produced, will be necessary. The first 9 months of 1952 produced 2,399 units, but the production rate will fall during the latter months of the year in consequence of the steel work stoppage. Allocations of materials have been reduced so as to provide materials for less than 700 units per quarter, about 25 percent below the desired level.

In the street and highway field, the Administration has been somewhat more fortunate in its claims for materials. Allocations for public passenger-carrying vehicles (rapid transit cars, streetcars, trolley coaches, integral busses, and school bus bodies) have been at a level adequate to meet replacement, conversion, and extension demands. For the first three quarters of 1952, allocations for private passenger cars have nearly equaled Defense Transport Administration's claims. For the same period, allocations for trucks were at the rate of 250,000 units per quarter, or about enough for necessary replacements.

Since the creation of the Administration, it has supported an expansion goal for Great Lakes shipping of 32 vessels: 25 for iron-ore movement, 4 for limestone, 1 for cement, and 2 car ferries. Although scarcity of qualified personnel and of steel and component parts has measurably retarded the program for supplying bottoms on the Lakes to move the increasing tonnage of iron ore for steel production, during the 12 months ending October 1, 1952, 10 ships have been placed in service on the Lakes. It is anticipated that two other ore vessels will be added during the remainder of 1952, and it appears that

six more are now scheduled for addition in 1953. During the same period, a limestone boat was placed in Lakes operation. A car ferry will be in service by December 31, 1952. It is expected that in 1953, a cement carrier, one self-unloading (limestone) vessel, and a car ferry will be completed, and that in 1954 one ore vessel and two self-unloaders will be completed.

The expansion goal for barges, towboats, and harbor craft as approved by the Defense Production Administration, for operation on inland waterways comprehends the construction of 3,923 units in the 4-year period ending December 31, 1953, at which time it is hoped there will be a balanced fleet of 22,771 inland watercraft. While satisfactory progress has been made in some respects, past and anticipated steel shortages may delay full achievement as much as 3 years. About 450 craft were completed during the period September 8, 1951, to September 7, 1952.

There have been no reported breakdowns in transportation for lack of maintenance, repair, and operating supplies, though there have been shortages of particular items, notably rail, axles, transmissions, and parts in certain sections of the country.

In the 12 months beginning October 1, 1951, the Administration has approved schedules for the construction of fixed-site facilities having a value of \$807,587,850, and has allocated critical materials therefor under NPA Order M-4A and CMP Regulation 6. After careful screening, each of the 1,621 projects approved was found essential to the programs for rail, street, and highway, and inland water transport, warehousing and storage, and port facilities.

Transportation committee for scrap recovery.—The transportation committee for scrap recovery (created by the Office of Defense Mobilization and headed by the Administrator of Defense Transport Administration, as chairman), with the aid of some of the field staffs of the Interstate Commerce Commission acting for the Administration, has promoted the recovery of scrap derived from the railroad and the street and highway carrier industries. As the result of 3,134 contacts made by the field staff of the Bureau of Motor Carriers with street and highway scrap sources, the committee was able to report the recovery of 89,556 tons of scrap steel and other metals, of which 14,800 tons were dormant scrap. The field staff of the Bureau of Service made contact with the railroads, and during the first 6 months of the program, over 2,500,000 tons of scrap were recovered. In 1 month the scrap efforts uncovered over 100,000 tons of dormant scrap. For the 6 months ended March 31, 1952, the railroads contributed 700,000 tons of dormant and 1,850,000 tons of normal scrap.

Manpower.—The Defense Transport Administration has continued its close cooperation with other agencies of the Government during

the year in the development of programs for recruitment, training, apprenticeship, and the utilization of manpower. The need for continuing the various manpower programs conducted by the Administration is reflected in the analysis and study of the projected statistics of the Department of Labor, the Selective Service System, and the Department of Defense, in the current job openings on order as reported by the Bureau of Employment and Claims of the Railroad Retirement Board and in the monthly reports of the Bureau of Motor Carriers, Interstate Commerce Commission.

A program of recruitment is being carried out successfully through the joint efforts of the Bureau of Employment and Claims of the Railroad Retirement Board, the Bureau of Employment Security of the Department of Labor, State and local employment services, and labor organizations. Through this activity, operating and maintenance personnel have been supplied to railroads, and skilled craftsmen have been found for the building, repair, and reconditioning of Great Lakes ore vessels.

To maintain the manpower requirements of the industries under Defense Transport Administration jurisdiction, it has promoted the employment and training of apprentices, the employment of the physically handicapped, of women, returning veterans, older persons, and part-time workers. It has also fostered a campaign for the reduction of industrial accidents.

With respect to apprenticeship training, there has been cooperative effort between the Administration, the Bureau of Apprenticeship in the Department of Labor, the Trade and Industrial Education Service of the United States Office of Education, and the Bureaus of Service and Motor Carriers of the Commission, including their field staffs. All have acted cooperatively on the national, regional, State, and local levels towards establishing training programs.

The short labor market, especially in the skilled occupations, necessitated cooperative arrangements with the Selective Service System and the Armed Forces in facilitating the Administration's claims for deferments, or delays, in calls to the military services of essential employees. Assistance was given in securing deferments and delays, and in the matter of referral of skilled personnel to maintain the manpower supply required for operation of Great Lakes vessels.

Tax amortization and defense loans.—In connection with financial aspects of expansion of industries under Defense Transport Administration jurisdiction, the agency makes recommendations to the Defense Production Administration upon applications for certificates of necessity for accelerated amortization of defense facilities under section 124A, Internal Revenue Code, as added by section 216 of

the Revenue Act of 1950. It also makes recommendations to that agency with respect to applications for certificates of essentiality in connection with defense loans for expansion under section 302 of the Defense Production Act.

At the beginning of the period October 1, 1951, to October 1, 1952, there were 995 tax-amortization applications pending before the Administration in the amount of \$917,617,337. During the period, 1,049 additional applications in the amount of \$1,098,574,219 were received; 1,590 in the amount of \$1,760,941,794 were processed, of which 1,166 were recommended for allowance in whole or in part, 360 were recommended for denial, and 64 were transferred or withdrawn. At the end of the period, there were 454 applications in the amount of \$255,249,762 pending. There have been issued 1,348 certificates by Defense Production Administration as the result of Defense Transport Administration activity, and 722 were denied in whole or in part.

During the period, 85 requests for reconsideration of denials were received, of which 56 have been processed, 20 resulting in recommendations for allowance and 36 for denial. Twenty-nine of such requests were pending at the end of the period.

Recommendations for tax amortization included: For rail transport—cars, locomotives, terminals, yards, and miscellaneous facilities; for street and highway transport—terminals, repair shops, tractors, trailers, and trucks; for inland water transport—barges, tugs, and towboats, Great Lakes vessels, car floats, and car ferries; for warehousing and storage—liquid, grain, cooler, freezer, and flat storage facilities; for ports—unloading facilities and export grain elevators. Requests for "letters of predetermination" to the number of 90 on tax-amortization applications were received, of which 83 were processed to Defense Production Administration and 7 were pending.

At the beginning of the above-mentioned period, 47 applications for defense loans amounting to \$19,172,926 were pending before the Administration. During the period, 29 additional applications in the amount of \$46,975,818 were received, and 70, representing \$23,557,244, were processed. Of the latter, 11 were recommended to Defense Production Administration for allowance, 11 for partial allowance, 35 were denied or recommended for denial, and 13 were withdrawn. Pending at the close of the period were 6 applications in the amount of \$42,591,500. Twenty loans aggregating \$12,181,698 have been certified by the Defense Production Administration, on 12 of which the Reconstruction Finance Corporation has acted and granted loans in the amount of \$5,607,180.

Tax-amortization and defense-loan incentives have played a large part in advancing DTA's programs or goals for expansion as approved

by Defense Production Administration. Up to October 1, 1952, tax-amortization benefits have been certified in approximately the percentages of the respective programs as follows: 56.7 percent of the 436,000 freight-car program, 49.7 percent of the 15,500 locomotive unit program, 65.3 percent of the interim goal for miscellaneous railroad terminal and road facilities, 37.4 percent of the 3,923 inland watercraft program, and 81.2 percent of the 32 Great Lakes vessels program.

Territories and possessions.—On February 6, 1952, the President extended the jurisdiction of the Administration to the Territories and possessions of the United States by Executive Order 10324. Since the extension was by amendment to the definition of the facilities within DTA responsibility, its responsibility in the Territories and possessions is the same as that in the continental United States. Supervision over the discharge of those responsibilities has been assigned to a special assistant for Territories and possessions designated by the Administrator.

On-the-spot surveys were made in Puerto Rico, the Virgin Islands, Hawaii, Guam, and Alaska to ascertain what problems relating to support of the national defense confront the transportation, storage, and port activities under the Administration's jurisdiction in those areas. The information and data acquired are a prerequisite to the proper discharge of the new responsibilities. Also, arrangements were made whereby the requirements of those industries for controlled materials may be expeditiously processed.

Advance mobilization planning.—From the outset, Defense Transport Administration recognized the need for planning against the occurrence of a more serious national crisis, or all-out war, as well as the need for carrying on day-to-day operating phases of its responsibility for domestic transport, storage, and port services in the current posture of mobilization. The respective divisions of the Administration have been utilized to satisfy both needs. "Lay-away" mobilization plans for future use are in preparation under the general supervision and coordination of the executive assistant. The Administration also participates with other Government agencies in interagency advance planning.

Small business.—Although railroads, in general, are considered "big business," there are many small units in classes II and III which fall into the category of small business. With comparatively few exceptions, operators in the fields of street and highway transport and inland water transport, and warehousing and storage are in the category of small business. Therefore, while there has been no situation in which application for, or resort to, relief on the grounds that small business was involved, it was inevitable that a very substantial amount

of the Administration's activities were directly concerned with small business in connection with tax amortization and defense loans, the allotment of controlled materials for construction of fixed-site facilities, claims for critical materials, the supply of manpower, and in the equitable distribution of freight cars. Then, too, because of the very nature of public-carrier and warehouse services, the requirements of small-business shippers and storage patrons were perforce indirectly aided by Administration activities. In the field of port utilization, appropriate attention was given to the smaller ports.

Relations with the Interstate Commerce Commission.—In the interest of economy and efficiency in Government, the Administration avails itself of existing facilities of other Government agencies, and particularly of the Interstate Commerce Commission insofar as possible. Use of Commission facilities and personnel not only reduces costs through the elimination of duplicate office space and supervisory personnel, but also makes available to the Administration the capabilities of already organized staffs of trained and experienced employees. By mutual arrangements and agreements, the Administration is using the services and facilities of 95 Commission field offices and its departmental offices. Hence, it has not been necessary for the Administration to establish any field offices. On the other hand, since services performed by the Commission for the Administration are paid out of a working fund provided by the Administration, the Commission has also benefited from the arrangements by the availability of larger staffs than it would otherwise have to carry on its work. Although the Administration experienced a severe cut in appropriations during the year, it was able to maintain the working fund at a level sufficient to enable the Commission to pay in whole or in part the salaries of those employees in the Bureaus of Administration, Service, Motor Carriers, and Water Carriers and Freight Forwarders who devote all or a portion of their time to the accomplishment of the Administration's programs. As of September 30, 1952, the salaries of 177 such employees were being paid in whole or in part from the working fund.

The Bureau of Administration provided administrative services with respect to budget, financial control and reporting, personnel procurement, space and property utilization, and other management operations.

The Bureau of Service made field investigations and surveys required by six divisions of the Administration in connection with rail operations and facilities. It administered the heavy-loading orders issued by the Commission with Administration cooperation. The successful handling of the huge export grain and coal programs, heretofore mentioned, without undue delay or congestion was due in no small measure to the efforts of the Bureau field staff. They have been

effective in securing the prompt release and movement of cars to the shippers of perishable produce and lumber. They have represented the Administration on regional and area defense mobilization committees.

Through surveys, investigations, and reports made by the field staff of the Bureau of Motor Carriers, the Administration was kept informed of conditions in street and highway transport, the present and future requirements upon it, its ability to meet such requirements, and its needs for equipment, repair parts, materials, tires, manpower, and financial aid. Field investigations and reports are essential in many instances to the proper screening of applications for tax amortization, defense loans, allocation of critical materials, and of requests for special permits to allow the movement of essential vehicular traffic not conforming to State size and weight limitations. The efforts of the staff have been directed, also, to the task of keeping essential highway traffic moving, especially in areas stricken by floods, work stoppages, motor-fuel shortages, etc.

The field staff of the Bureau of Water Carriers and Freight Forwarders performed, with respect to port facilities and services, many functions of the type performed by the field staffs of the two bureaus just mentioned.

AMORTIZATION ACCOUNTING FOR EMERGENCY CARRIER FACILITIES

In November 1951 we heard oral argument in No. 30920, *Amortization Accounting for Emergency Carrier Facilities*, in the matter of charges to carrier operating expenses in amounts equal to deductions allowed for income-tax purposes to amortize the cost of facilities certified as necessary in the interest of national defense. During World War II we required railroads, inland waterways, and protective service companies to charge operating expenses on that basis, and permitted several pipeline companies to do so on individual applications properly supported. The emergency period for that purpose was ended in September 1945 by Presidential proclamation, after certificates had been issued authorizing income-tax deductions of approximately \$1.3 billion for railroads and \$32 million for pipelines. As of December 31 1950, the latest date for which figures are available, substantially all of the certified facilities were still in service. For railroads alone, the reserves created by amortization charges represented 5.2 percent of the recorded cost of all transportation property of class I carriers and 12.6 percent of the recorded cost of their equipment.

Two pipeline companies joined 121 railroad companies in favor of the continuation of such accounting. Counsel for four class I railroad carriers opposed amortization accounting in that sense, but

requested instead a procedure for increasing income-tax charges during the period that taxes were reduced by the amortization deductions and decreasing income-tax charges over the remaining service lives of the certified facilities when, except for the amortization allowances, there would be normal depreciation charges.

The majority of the carriers represented that the certified facilities involved an economic loss attributable to the period of the national emergency which started with the outbreak of hostilities in Korea, and that the extent of certification was a proper measure of that economic loss as found by the Defense Production Administration, the agency designated for that purpose. They agreed that, unless this loss was charged to operating expenses as it was deducted for income-tax purposes, the incentive to complete plant expansion was less than intended by the internal revenue provision. They also contended that substantial tax reductions resulting from amortization allowances correspondingly inflated net income during the period of large emergency earnings to the carriers' embarrassment in a variety of ways, unless charges equal to those allowances were made to operating expenses.

The carriers opposed to amortization accounting maintained that the certified facilities would serve out a normal life expectancy, and that operating expenses should bear no more than normal depreciation charges with respect to them. They rejected the theory of a real tax saving because the absence of depreciation charges for the certified facilities in the period following the emergency will increase taxable income in aggregate amounts exactly equal (unless the rates change) to reduction of taxable income by amortization allowances during the emergency. They saw in the income-tax treatment of the certified facilities merely an interest-free loan to be fully repaid by subsequent income-tax increases. They, therefore, proposed a formula for equalizing net income by decreasing it during the emergency and increasing it thereafter to compensate for fluctuations of this nature in income-tax charges.

The carriers favoring income-tax equalization joined in the fears expressed by the carriers favoring amortization charges that an artificial inflation of net income during the emergency period would result from amortization allowances. Both sides foresaw heavy pressure from shippers for lower rates, from stockholders for larger dividends, and from labor unions for pay increases, all due, they contended, to an inflated showing of net income. We were unable to give controlling weight to such fears.

We found in 284 I. C. C. 9, decided December 21, 1951, no justification for accelerated depreciation, except as to such facilities with service lives limited to the emergency period. It has been our tradi-

tional depreciation policy to require charges to operating expenses during the service life of any unit of property which will equal, as nearly as may be, the service loss incurred on retirement of that unit. This policy provides as well for a unit having only a 5-year life expectancy because of war emergency as for a unit with a normal life expectancy of 50 years or more.

We found a certain plausibility to arguments for income-tax equalization, but rejected the proposed plan because net income so equalized would not be a true picture of carrier earnings after income taxes actually assessed and paid. If the amortization allowances provided an incentive to plant expansion, as represented to us, it was because lower tax payments left funds to be applied during the amortization period towards the purchase of certified facilities. The carriers' objective was to avoid what they considered an unduly favorable showing of current earnings, but net income results from transactions that actually occur, not from allowances for expenditures which would have been made under other circumstances.

Since the disposition of the above proceeding, no carriers have been given authority to use amortization accounting on the basis therein requested. The Defense Transport Administration to date has certified that carrier facilities costing \$3,295 million are necessary to the national defense. Of this total amount, \$2,926 million was for railroads (\$196 million for roadway property, and \$2,730 million for equipment), \$345 million for carriers operating on inland waterways, and \$24 million for motor carriers. The actual amounts deductible for income-tax purposes are not readily available, since the percentage for that purpose varies with the type of facility. Petroleum Administration for Defense also has certified oil pipeline facilities costing \$466 million, of which amount 24 percent, or approximately \$112 million, is deductible for tax purposes. No showing has been made that the service life of any of the certified facilities will be restricted to the present emergency.

RAILROAD REORGANIZATIONS

One additional petition for reorganization of a railroad under section 77 of the Bankruptcy Act was filed during the period covered by this report. The petition was filed jointly by the Port Angeles Western Railroad Co. and its parent corporation, Sol Duc Investment Co. The latter does not operate as a railroad. Appointment of a trustee has been ratified by us, but no plan of reorganization has yet been filed.

The plan of reorganization of the Meridian & Bigbee River Railway Co. was consummated as of 12:01 a. m., July 1, 1952, its name being changed to Meridian & Bigbee Railroad Co. Acquisition of the

debtor's properties by the new company and issuance of the new securities was approved by us during the period covered by this report.

Since our prior report there has been no change in the status of proceedings for reorganization of the Huntingdon and Broad Top Mountain Railroad and Coal Co., Lackawanna & Wyoming Valley Railroad Co., New York, Ontario & Western Railway Co., and Smithfield Terminal Railway Co.

The proceeding for reorganization of the Wyoming Railroad Co. was dismissed by the district court on November 13, 1951, and the properties of the debtor were ordered returned to receivers appointed by a State court. In another proceeding a certificate has been issued authorizing abandonment of the railroad. The proceeding for reorganization of the Helena & Northwestern Railway is inactive, although, apparently for technical reasons, the proceeding has not as yet actually been dismissed. However, pursuant to authority granted by us in separate proceedings, a portion of the debtor's railroad has been acquired by the Cotton Plant-Fargo Railway Co., and the remainder has been abandoned.

Since our last report, the United States Court of Appeals for the Third Circuit has affirmed the district court's order approving the plan of reorganization for the New York, Susquehanna & Western Railroad Co., and the result of the voting on the plan by creditors (acceptance by more than 96 percent of each class entitled to vote on the plan) has been certified by us to the district court. That court has confirmed the plan and steps are being undertaken by appointed reorganization managers for its consummation.

The appeal taken from the district court's order approving the plan for the reorganization of the Boston Terminal Co., mentioned in our last report, was dismissed. Since that report we have certified to the court that all creditors voting on the plan voted to accept it, and the district court confirmed the plan by its order of December 10, 1951. On October 22, 1952, an application for necessary authority to consummate the plan was granted in part, and action deferred in other respects.

During the period covered by this report, plans of reorganization for the Long Island Rail Road Co. have been filed by the debtor, the Pennsylvania Railroad Co., and the American Contract and Trust Co., jointly, and by the Long Island Transit Authority, an instrumentality of the State of New York. These plans have been assigned for hearing on December 1, 1952.

After the date of our last report, the Supreme Court denied several petitions for certiorari seeking review of the district court's approval of the plan of reorganization for the Missouri Pacific system, which has been approved by us December 29, 1949. Proceedings before the

district court for confirmation of the plan have been suspended in compliance with the provisions of section 208, title 11, U. S. Code, pending a report by us upon the petition filed under that section, which was described in our prior report. Hearings have been held upon that petition, and a proposed report by three members of our staff has been issued. Exceptions and replies were filed and a final report is being prepared.

Since our last report, the debtor in the Missouri Pacific proceeding has reviewed our record relating to acceptances of the plan of reorganization. As a result of such review, the debtor has asked vacation of our certificate to the court setting out the results of the voting. Action on this petition has been deferred pending decision on the issues in the section 208 proceeding.

By a supplemental report and order of March 17, 1952, in F. D. No. 14720, we approved a modified plan of reorganization for the Wisconsin Central Railway Co. Petitions for further modification of the plan were denied September 15, 1952, except in a minor particular, by our second supplemental report and order, and the plan has been certified to the district court.

Briefs have been filed upon proposed plans for the reorganization of the Boston & Providence Railroad Corp., and an examiner's proposed report on those plans is being prepared. Oral argument has been held before division 4 on exceptions to the report of the examiner recommending approval of a plan for the reorganization of the New Jersey & New York Railroad Co., and a final report on this plan is being prepared.

We stated in our 1951 report that we had approved a modified plan of reorganization for the Florida East Coast Railway Co. By an order of March 11, 1952, the district court disapproved the modified plan, and provided for dismissal of the section 77 proceeding and transfer of the debtor's properties to receivers. An appeal from that order is pending before the United States Court of Appeals for the Fifth Circuit.

During the past year we have disposed of many petitions and motions pertaining to features of reorganization other than the formulation of plans. These have included modifications of previous authorizations of protective committees, ratification of the appointment of trustees, the fixing of maximum limits of compensation for trustees, counsel, and other parties, and reimbursement of expenses. Public hearings not related to the formulation of plans have been held on seven occasions in five different proceedings. We have issued 22 reports and orders relating to 34 petitions in such collateral matters, and the proceedings have required us to enter approximately 10 orders or certificates of general administrative character.

Since the passage of section 77 of the Bankruptcy Act, on March 3, 1933, 61 proceedings have been instituted for reorganization under the section. Of these proceedings, reorganization has been completed in 32 cases, and the proceedings have been discontinued in 16.

VOLUNTARY REORGANIZATIONS

In our previous report, we showed that only one proceeding was pending before us for modification of securities under section 20b of the Interstate Commerce Act. That proceeding, involving the Wichita Falls & Southern Railroad Co., at the request of the applicant now has been dismissed. During the period covered by this report, no additional applications have been filed.

We stated in our prior report that, in connection with the Boston & Maine Railroad securities modification proceeding, there was then pending before a three-judge district court a civil action brought by certain stockholders of the railroad to enjoin enforcement of the Commission's orders approving and authorizing certain alterations or modifications in the carrier's capital stock structure.

By decision of February 21, 1952, in *Sakis v. United States*, 103 Fed. Supp. 292, the United States District Court for the District of Columbia (three judges) dissolved a temporary restraining order, which it had issued, and affirmed the Commission's orders of approval of the plan of securities modification. At the same time, however, the court called attention to what it regarded as serious charges of irregularity and fraud in connection with the obtaining of assents to the plan, contained in certain new evidence which had been tendered to the court by the Sakis committee, plaintiff, and the Department of Justice, for the United States, statutory defendant. The court also indicated its belief that these charges involved matters as to which the Commission, as the proper forum, upon appropriate application to it, would doubtless wish to entertain jurisdiction.

Thereafter, in response to a petition filed by the committee, the Commission, by order dated April 7, 1952, reopened the proceeding for further hearing for the purpose of receiving any new evidence relating to the validity of stockholders' assents to the plan of modification. Hearings were held before an examiner of the Commission at Boston, Mass., on August 25, 26, 27, and 28, and at New York, N. Y., on September 9 and 10, 1952.

At the opening of the hearing on August 25, the Sakis committee and George P. Sakis, individual intervener, through their counsel, announced their withdrawal from the proceeding, and at the same time counsel for the carrier indicated that an understanding had been reached whereby the expenses of the committee and a portion of its counsel fees would be paid by the carrier. Counsel for one of the

interveners also stated that it had agreed to pay a portion of the committee's counsel fees. Evidence was presented by the Commission's Bureau of Inquiry, the carrier, and Old Colony Trust Co., the independent depositary, on the subject of the method of solicitation, procurement, receipt, processing, recordation, and reporting of assents, all directed toward the question of the validity of such assents and of the carrier's and the depositary's certifications to the Commission that the requisite percentage of stockholders had accepted the plan of modification within the submission period.

Following the filing of briefs, due October 20, 1952, and replies, due November 4, 1952, a report containing the Commission's findings and conclusions in the matter will be issued.

In our last and certain prior annual reports, we recommended that consideration be given to amending section 20b of the Interstate Commerce Act so that, in connection with the determination of the percentage of outstanding securities assenting to proposed modifications or alterations, securities of any class entitled to vote for the election of directors of the carrier, whether or not controlled by or controlling the carrier, shall be considered as outstanding, but that if we determine that 25 percent of the securities of such class are so controlled by, or control the carrier, we may prescribe such percentage in excess of 75 percent as requisite for approval of the proposals as we may determine to be just and reasonable and in the public interest. We renew that recommendation.

We also recommend that consideration be given to certain other amendments, described below, which recent experience of the Commission with proceedings under section 20b has indicated would be desirable.

The fifth sentence of paragraph (2) requires that the Commission approve all material used in the solicitation of assents. In lieu thereof, we recommend that the Commission be given power to make general rules and regulations, and special requirements in any case, governing the solicitation of assents. The power of the Commission to designate or approve an independent depositary to receive assents of security holders and to accept the depositary's certification as to the assents received, was questioned in the proceedings described above relating to the Boston & Maine Railroad. The district court upheld the Commission's action, but it appears desirable that paragraph (2) be amended so as to authorize specifically such procedure. Paragraph (2) also presently provides for a finding by the Commission that proposed alterations or modifications have been assented to by 75 percent of the aggregate principal amount or number of shares outstanding of each class of securities affected thereby, but the section contains no provision for establishing the various classes of securities. In the

Boston & Maine Railroad case, the classification of securities became an important issue. It seems desirable that paragraph (3) be amended so as to direct the Commission to classify the affected securities into such classes as it shall determine to be just and reasonable.

RECORDATION OF DOCUMENTS UNDER SECTION 20c

During the current year, the Congress adopted, and the President approved, on July 16, 1952, Public Law 556 (82d Congress), 49 U. S. C. 20c, which constituted an amendment to the Interstate Commerce Act, providing for the recordation by the Commission of any mortgage, lease, equipment-trust agreement, conditional-sale agreement, or other instrument evidencing the mortgage, lease, conditional sale, or bailment of railroad rolling stock.

We appointed a committee to study the new law and prepare recommendations for the carrying out of its provisions. By order of July 28, 1952, we prescribed rules and regulations governing the form and manner of submission and the procedure to be followed. (17 F. R. 7093, 7903.)

Some question arose as to whether the statute contemplates the recordation of equipment trusts on equipment operated on railroads where others than the railroads are the lessees or obligors. We invited the views of railroad counsel, other interested parties, and the public generally. No representations to the contrary were received, and we modified our rules and regulations to include such documents.

In accordance with the language contained in the Independent Offices Appropriation Act, 1952 (ch. 376, Public Law 137), Title V—"Fees and Charges," we provided in our rules and regulations for the collection of fees for the service performed in recording the documents, and the keeping of records in connection therewith. For a mortgage, lease, equipment-trust agreement, conditional-sale agreement, or other instrument evidencing the mortgage, lease, or conditional sale, the fee is \$50. For any assignment of rights or interest in such instruments, or supplement or amendment thereto, including any release, discharge, or satisfaction thereof, the fee is \$10.

Our experience with the new law is too brief to enable us to form any definite conclusions as to the volume of this work or other problems which may be incurred.

RAILROAD PASSENGER FARES

No general increases in basic passenger fares on a national or regional scale have been authorized during the past year. A number of the western railroads, operating principally in southwestern and Pacific coast territory, are seeking a 10-percent increase in such fares similar to that previously authorized for railroads in the South, but this proceeding, No. 31050, is still pending.

On July 10, 1952, in Investigation and Suspension No. 5982, we authorized The Pullman Company to increase its minimum standard lower-berth fare from \$4.05 to \$5.00, with corresponding increases in its other minimum fares. On May 7, 1952, in No. 30171 (286 I. C. C. 111), we found just and reasonable the special service charges, which the railroads in the East and South had published for reserving coach seats in streamline trains. Other pending proceedings related to the basic fares are a complaint by the Department of the Army et al. (No. 31046), attacking the 15-percent increase in pullman berth charges previously authorized; No. 30475, an investigation concerning unauthorized free transportation by the railroads; No. 30953, in regard to the lawfulness of the bridge arbitrary or toll charge for interstate transportation over the so-called Hell Gate Bridge route of the New York Connecting Railroad Co., in New York, N. Y.; and of proposed service charges for checking baggage, Investigation and Suspension No. 6015. The Pullman Company also proposed a nominal charge for the redemption of sleeping-car tickets. The tariff was not suspended, and the charges became effective July 20, 1952.

Most of the proceedings involving railroad passenger fares during the past year have dealt with suburban fares, and have generally been handled in cooperation with one or more of the State commissions. In proceedings dealing with commutation fares in the New Jersey-New York, Philadelphia, Harrisburg, Pittsburgh, and Chicago areas, conducted in cooperation with the State commissions of New Jersey, Pennsylvania, and Illinois, the four commissions authorized an average increase of about 15 percent. The interested railroads also established the same basis in the Baltimore-Washington area. The railroads have asked for still greater increases for distances under 13 miles, and this matter is pending in Investigation and Suspension No. 5950. Increases were also authorized in the suburban fares in the Chicago area of the New York Central Railroad Co., Chicago South Shore and South Bend Railroad, and the North Shore Line, in cooperation with the Illinois commission; and in the East for the Hudson & Manhattan Railroad Co., and the Boston & Maine Railroad. In the latter case an average increase of 30 percent was substituted for the average increase of 66½ percent previously authorized.

Proceedings are now pending dealing with the suburban fares in the Chicago area of the Chicago and North Western Railway Co., Illinois Central Railroad, Chicago Aurora and Elgin Railway Co., and North Shore Line, which are being handled in cooperation with the Illinois commission; also in the East involving the intrastate fares of the Long Island Rail Road Co. and the Central Railroad Co. of New

Jersey; and in the South, where the fares of the Louisville & Nashville Railroad Co. in the New Orleans area are affected.

A total of 20 railroad passenger-fare proceedings were handled during the period covered by this report.

THE PASSENGER-TRAIN DEFICIT

During the calendar year 1951, the class I railroads failed to cover the operating expenses, rents, and taxes assigned and apportioned to the passenger service under our prescribed rules by approximately \$680 million. This is the situation after the increases which were granted for the transportation of mail had been in effect for a full year. The figure reflects 1951 operations, and does not include mail revenue applicable to prior years.

This passenger deficit constitutes a burden which falls almost entirely on the carload freight traffic. The total revenues from freight service in the year 1951 amounted to \$8,933 million. If the passenger-service revenues had been equal to the passenger-service costs, which assumes that the deficit is entirely eliminated, the carriers could have reduced their freight charges for all freight services by about 7 percent (\$680 million divided by \$8,933 million) without affecting their 1951 net railway operating income from the combined freight and passenger services.

An analysis of the rail carriers' passenger service revenues and costs based on the 1951 operating expenses, rents, and taxes and statistics, indicates that about 32 percent of the total deficit arises from head-end traffic, and the remaining 68 percent from the transportation of passengers together with related operations, such as dining, sleeping, and parlor-car services, and operations of hotels and restaurants. It should be pointed out that this staff study makes no allowance for return on property and equipment used in the handling of passenger-train traffic. It also gives no consideration to the cost of transporting train fuel and other materials for the benefit of the passenger service. These matters must be given consideration when the passenger service is studied from the viewpoint of its total operation. A separation of the head-end deficit among mail, express, and baggage for the year 1951 indicates that the rates which were prescribed in docket No. 9200, *Railway Mail Pay*, decided November 13, 1951 (283 I. C. C. 503), have provided the railroads with mail revenues approximately equal to the operating expenses, rents, and taxes apportioned to that service. These rates for the transportation of the mail were retroactive to January 1, 1951. Approximately two-thirds of the head-end deficit is occasioned by the transportation of express matter, and one-third results from the transportation of baggage, including milk, in passenger trains.

From the above analysis it appears that the points of attack in efforts to improve the passenger deficit are principally the express service and the transportation of passengers. The express agency has, in recent years, requested numerous increases in its rates which, for the most part, have been granted. The result has been to diminish the volume of express traffic, with no material improvement in the rail carriers' earnings from express traffic. The class I railroads received express revenues amounting to \$80,828,652 and \$81,463,201, respectively, in the years 1950 and 1951. The increase in rail carriers' expenses assignable to this traffic appears to have more than kept pace with the slight increase in the rail carriers' express revenues. As previously noted herein, however, there has been an improvement in the volume of the express traffic in the first half of 1952 as contrasted with the same period in 1951.

The present contract between the express agency and the railroads expires in February 1954, and it is presently the subject of negotiations between the parties. We are not advised whether the rail carriers intend to continue to underwrite the express business.

The transportation of passengers continues with much less than capacity utilization of the passenger-carrying cars. The average revenue passengers per car in the year 1951 was 19.4, which represented 60.8 percent of the 1944 average of 31.9. In terms of potential seating capacity, this figure of 19.4 passengers represents approximately 28 percent of the total capacity. These figures may be contrasted with the revenue passengers per plane for the scheduled domestic airlines of 26.0, which figure represents an approximate 68 percent utilization of the available seats. The airlines are making inroads on the first-class passenger traffic. The short-haul passenger business, including commutation, continues to suffer from the competition of busses and private automobiles. In this situation the feasibility of any general increase in the level of passenger fares brings up the problem of how much the traffic will pay for the rail service.

The National Association of Railroad and Utilities Commissioners has in progress a study of losses incurred in providing passenger service. In this study the carriers were asked to make a report on each train other than commutation which was being operated at a direct loss. The initial returns from this study indicate that a great many passenger trains, particularly the short-haul local trains, are being operated at a substantial out-of-pocket loss.

It would appear, therefore, that curtailment of unprofitable train operations of a local nature offers one of the means of reducing the passenger deficit. While we have the power to authorize the complete abandonment of a line of railroad and have been called upon to exercise such power, we cannot, under the present act, authorize the

carriers merely to curtail service on a line. This power, where it exists at all, rests with the State regulatory commissions. It would appear that, as long as the Federal law stands as it is, if anything substantial along this line is to be accomplished, the State commissions must do it by cooperative action among themselves.

INCREASED FREIGHT RATES, 1951-52

On March 12, 1951, in Ex Parte No. 175, *Increased Freight Rates, 1951*, 280 I. C. C. 179, we authorized "interim" increases in rates then in effect or published, by varying percentages, averaging about 2.4 percent on a Nation-wide basis, which became effective April 4, 1951, generally. This authorization was superseded by our decision of August 2, 1951, in 281 I. C. C. 557, which enlarged the 2.4 percent over-all increase to average about 6.6 percent. These increases became effective on August 28, 1951, generally. On October 19, 1951, the railroads filed a petition for further hearing, reargument, and reconsideration of the decision of August 2, 1951, asking that we grant the increase of 15 percent (with certain limitations and exceptions), which had been sought in an amended petition of March 28, 1951. Further hearings were held, and oral argument was concluded on February 29, 1952.

Additional increases in freight rates and charges averaging about 6.8 percent over rates currently in effect were authorized by us on April 11, 1952, in 284 I. C. C. 589. The increases, which were applied to freight charges in the form of surcharges, became effective on May 2, 1952, except with respect to grain and its products, and flaxseed, which became effective on May 17, 1952.

Our decision of April 11 in general authorized Nation-wide increases in basic freight rates of 15 percent over those in effect on September 1, 1949, with certain exceptions. Similar permission was granted to carriers by water and freight forwarders which were parties to the proceeding. Increases were limited to a maximum of 12 cents per 100 pounds on the following commodities: Fresh fruits and vegetables; melons, edible nuts; lumber and articles in tariffs taking lumber rates; canned or preserved food products (not cold pack or frozen); and copper, lead, and zinc articles (groups 559 and 563 of the Freight Commodity Statistics). Increases on building woodwork and millwork were held to a maximum of 14 cents per 100 pounds, while on sugar and glucose the maximum increase allowed was 10 cents per 100 pounds. The maximum increase allowed on phosphate rock and salt was 60 cents per ton, and rates on certain fertilizer materials were not increased more than \$1 per ton. The increase permitted on coke and on anthracite and bituminous coal was 12 percent, limited to a maximum of 40 cents per net ton, with some exceptions on specified movements. The increase allowed on lignite coal and lignite coal

briquets was 6 percent, subject to a maximum of 20 cents per net ton. The increase authorized on grain and grain products and iron ore was 12 percent. This percentage increase was also allowed on sand, gravel, crushed stone, slag (other than expanded or ground open-hearth basic slag), and oyster, clam, or mussel shells, whole, crushed or ground, or screenings in open-top cars not protected by tarpaulin or other protective coverings. Charges for protective services, for loading or unloading livestock, and for unloading fresh fruits and vegetables at New York and Philadelphia were not increased.

The authorization expires on February 28, 1954, unless modified or terminated prior to that date.

After allowance for the various hold-downs and exceptions, the authorized increases are estimated to average about 13.8 percent over the base rates in effect on September 1, 1949, and about 6.8 percent over the interim increase authorized on August 2, 1951. The estimated percentages referred to are over-all averages, and should be so understood. The estimates also assumed that the intrastate rates would follow the same pattern of percentage increases as those authorized for interstate rates.

In point of fact, the actual over-all increases in freight rates seldom or never work out to as high a level as the maximum interstate increases authorized. In certain other cases, intrastate increases authorized by the State commissions may be subject to various exceptions which tend to hold the intrastate rates somewhat below the maximum interstate rates authorized. Even more important, perhaps, are the hundreds, not to say thousands, of individual competitive and other situations giving rise to downward adjustments of individual rates below the interstate maxima. Many of these do not come to our attention specifically, though all are duly filed in the tariffs. However, between June 1, 1951, and March 31, 1952, a large sample taken from special permission and fourth-section applications and petitions for suspension showed a total of 231 reductions in rates applicable to 156 different commodities. The situation is roughly indicated by the reasons given for these 231 reductions. Defense materials accounted for 26 reductions; motor competition for 31; new movements for 37; market competition geographically between specific cities or areas for 52; market competition as between commodities for 7; barge and other water competition for 16; and shortages for 23. The remaining reductions are widely distributed over a score or more individual categories of reasons.

TIME LAG IN RATE-INCREASE CASES

During the past session of Congress there was introduced in the Senate a bill, S. 2518, which had for its purpose an amendment of

the Interstate Commerce Act so as to give the railroads a free hand in establishing general increases in their rates and charges. In substance, the bill provided that any appropriate group of railroads, whenever an actual or prospective increase in operating costs leads them to believe that their revenues during the ensuing 12 months would be inadequate within the meaning of section 15a of the act, may make a general increase in their rates by filing amended tariffs on 30 days' notice.

If enacted, the bill would have permitted the carriers to be the judges as to how large an increase they needed, and the Commission could not have interfered with their determination and action. The underlying feeling on the part of the carriers in sponsoring such a bill evidently was that there has been too great a lapse in time between the filing of their applications for such increases and the action of the Commission thereon and that the increases granted by the Commission have been insufficient. In the following table we give an outline of the history of the postwar general rate-increase proceedings before the Commission:

Postwar general rate-increase proceedings

Docket (Ex Parte No.)	Application filed	Approximate amount of increase sought (percentage)	Date submitted ¹	Date of decision	Date rates were increased	Increase allowed (percentage)	
							Cumulative
148-162	Apr. 15, 1946	24.0	May 13, 1946 Oct. 25, 1946	June 20, 1946 (interim).. Dec. 5, 1946 (final).....	July 1, 1946 Jan. 1, 1947	6.5 10.4	6.5 17.6
166	July 3, 1947 Sept. 5, 1947 ² Dec. 3, 1947 ²	20.6 33.1 35.8	Sept. 19, 1947 Dec. 20, 1947	Oct. 6, 1947 (1st interim).. Dec. 29, 1947 (2d interim).. Apr. 13, 1948 (3d interim).. July 27, 1948 (final).....	Oct. 13, 1947 Jan. 5, 1948 May 6, 1948 Aug. 21, 1948	8.9 7.6 3.6 1.0	28.1 37.8 42.8 44.2
168	Oct. 1, 1948 Oct. 12, 1948 ²	7.8 12.8	Dec. 10, 1948 May 21, 1949	Dec. 29, 1948 (interim).. Aug. 2, 1949 (final).....	Jan. 11, 1949 Sept. 1, 1949	5.2 3.7	51.7 57.3
175	Jan. 16, 1951 Mar. 28, 1951 ²	5.9 14.8	Mar. 1, 1951 July 13, 1951	Mar. 12, 1951 (interim).. Aug. 2, 1951.....	Apr. 4, 1951 Aug. 28, 1951	2.4 4.0	61.1 67.6
175	Oct. 19, 1951 ³	-----	Feb. 29, 1952	Apr. 11, 1952.....	May 2, 1952 ⁴	6.8	78.9

¹ Hearing and argument concluded.

² Amended application.

³ Application for reconsideration.

⁴ Except on grain and its products, and flaxseed, which became effective May 17, 1952.

Summary of increases sought and allowed

	Sought	Allowed
	Percent	Percent
Ex Parte No. 162.....46	24.0	17.6
Ex Parte No. 166.....17	35.8	22.6
Ex Parte No. 168.....48.49	12.8	9.1
Ex Parte No. 175.....51.12	14.8	13.8

Beginning with the decision of June 20, 1946, and ending with that of April 11, 1952, we authorized 11 freight-rate increases in interim

or final form, and the railroads made them effective in whole or in part. In that period two increases were authorized in 1946, two in 1947, three in 1948, one in 1949, two in 1951, and one in 1952.]

Considering the magnitude of these proceedings, the substantial sums involved, and the fact that they affect the interests of shippers of practically every commodity moving by rail throughout the country, it is apparent from this table that much time is necessarily consumed. In instances where it appeared from preliminary hearings that the carriers were in need of immediate relief, it was granted in the form of a temporary interim increase even before full hearings could be had.] The amount of the increase authorized in each instance was, of course, based on the record as made in the proceedings and based on our best judgment of the needs of the carriers.

FREIGHT RATES AND FEDERAL INCOME TAXES

One of the serious results of the sharp increases in railroad material and labor costs in recent years is the rising burden of transportation costs to shippers, or consignees where goods are sold f. o. b. origin point. For the sake of simplicity, however, the term "shipper" is used in this section as a collective designation for all parties initially paying the freight charges, regardless of whether they are shippers or consignees.

Because of their large and successive increases in these costs, the rail carriers have repeatedly petitioned us for general increases in freight rates, and we have authorized several such advances. Even if the percentage rise involved in such general rate increases could be restricted to the bare amounts necessary to make whole the carriers for increased labor and material costs, they would still represent a very large increase in the charges paid by shippers. In all general rate-increase cases, however, we must, under the statute as we construe it, give consideration also to the effect of such increases on the income of the railroads and on Federal income and excess-profits taxes in connection therewith,] which are considered together as "Federal income taxes" in this discussion. In recent years Federal income taxes have also shown sharp increases.

It may also be noted that the Federal transportation taxes on freight and passenger services originally imposed as a wartime measure have so far been retained as a part of the tax system. These latter taxes, which are paid by the shippers and travelers and not by the carriers, represent an additional further burden to the users of rail and other transportation. Obviously, the burden of such taxes increases when higher transportation rates are authorized.]

Because of the impact of Federal income taxes and increases therein on their net earnings, the railroads have sought much greater advances

in rates, fares, and charges than would have been necessary merely to offset the increased wages and materials costs which have constituted the principal motivating forces behind the several railroad petitions for freight-rate increases in recent years. For example, in the year 1950 the class I railroads reported freight revenues of \$7,817.3 million. In 1951-52, in the Ex Parte No. 175 proceedings, we authorized maximum rate increases aggregating on an over-all average about 13.8 percent over the base rates in effect on September 1, 1949, a figure substantially approximating what was sought by the carriers. Assuming that the pattern of maximum rate increases was followed throughout in all intrastate as well as interstate rates, it may be estimated that with a 13.8-percent increase, the carriers' freight revenues for 1950 would theoretically have been about \$8,896.1 million, or a little more than \$1 billion in excess of the actual revenues of \$7,817.3 million in that year. Other things being equal, however, about 47 percent of this estimated increase of over a billion dollars, or \$507.0 million, would have been taken by the Federal income taxes in that year, leaving an increase of only 7.3 percent, or \$571.8 million over the actual 1950 freight revenue. It seems apparent, therefore, under these assumptions, that had there been no Federal income tax, the roads would have needed a maximum increase of only 7.3 percent, instead of the 13.8 percent which we authorized.

In effect, therefore, Federal income taxes, in whole or in part, are included in the freight rates charged by the railroads. But practically all rail freight revenues are derived from the rail freight charges initially paid by shippers, and such charges constitute for income-tax purposes a deductible business expense to those initially paying them. Consequently, the Federal income taxes which are collected from the railroads as a part of freight rates and charges are also deductible by shippers initially paying them, along with the balance of such freight charges.

There is, of course, a wide range of variation in the relation of these freight charges to the selling prices of various commodities, and hence in the income-tax proportion of such freight charges deductible by shippers for income-tax purposes. No recent figures bearing on this matter are available. However, estimates of our Bureau of Transport Economics and Statistics, included in the publication "Freight Revenue and the Value of Commodities" for 1946, indicate that the relation of freight revenue to wholesale values at destination varied at that time among the various commodity classes from a fraction of 1 percent to as high as 40 percent or more. The higher the Federal income-tax proportion of freight rates or of freight rate increases paid as Federal income taxes by the railroads, the higher also will be the business

expenses on account of freight rates which will be deductible initially by shippers in computing their taxable income.

In a given situation in which freight rates and charges, Federal income taxes of the carriers, and the prices of shippers remain constant, the Federal income taxes paid by the carriers and included in the total freight charges initially deductible for income-tax purposes by shippers should reduce the taxable income of the latter by an equivalent amount.

Assuming identical Federal income-tax rates applicable to both the shipper and the railroads, the income taxes collected from the railroads should tend to be offset by the lower collections on the lesser taxable income of shippers. If, however, the tax rates paid by shippers are at higher rates than those paid by the railroads, the loss of collections from shippers should tend to be greater than the amount obtained from the income taxes paid by the railroads, and vice versa.

In 1949 and 1950, calculations of taxable income and estimated Federal and State income taxes made by the Department of Commerce adjusting the Bureau of Internal Revenue figures indicate that the average tax rates for all corporations, excluding railroads, were 39.83 and 46.31 percent respectively, whereas the comparable average rail tax rates were 42.69 percent in 1949 and 49.39 percent in 1950. In 1951, however, similar calculations indicate that the average Federal and State income-tax rate for all corporations, excluding railroads, were 56.56 percent as against an average railroad rate of 53.51 percent (tables 17, 18, and 38, Survey of Current Business, Department of Commerce, July 1952).

The foregoing statements regarding the effect of tax collections on the deductibility by shippers of Federal income taxes paid by the railroads are based upon static assumptions which, of course, are not realistic. Prices of shippers' goods fluctuate frequently and in some cases daily. Freight rates and freight charges are subject to similar, though not so frequent, changes in any appreciable period of time. Tax rates vary from industry to industry and from company to company, especially where excess-profits-tax provisions and amortization deductions for capital expenditures are in effect.

Under actual conditions, therefore, it is quite unsafe to assume that the reduction of the income-tax liability of shippers arising from a Federal income-tax proportion of freight charges included in their expenses would offset the gain represented by Federal income taxes on the railroads. Nonetheless, it is an inescapable fact that Federal income taxes paid by the railroads are initially deductible by shippers as a part of their operating expenses represented by transportation charges. The question of how far this deductibility offsets the income taxes collected from the railroads is infinitely more complicated. All

that we can do is to call attention to the nature and existence of the problem.

The extent to which the Federal income taxes paid by the railroads are offset by the deductibility of this Federal income-tax proportion by shippers along with other freight costs would appear to depend essentially upon the degree to which shippers can and do pass on to others the freight charges incurred by them, including in both cases the railroad income-tax proportion, or are compelled to absorb such charges. At the outset, of course, it is to be presumed that there is no separation in the mind of the shipper between the Federal income taxes collected from the railroads and in effect included in the total freight charges paid by him, on the one hand, and the balance of such freight charges, on the other. From the shipper's standpoint, the total freight charge must be paid initially by him, and this total is deductible as an expense from his taxable income. To the extent that such freight charges, including that portion representing income taxes collected from the railroads, are absorbed by shippers, there will be no corresponding increase in the selling prices of the shipper. The consequent reduction in the taxable income of shippers arising from the deduction of the Federal income-tax proportion of the freight charges should, therefore, tend to offset the Federal income taxes collected from the railroads. The degree to which this can be expected to occur would appear to depend chiefly upon whether the average income-tax rate of shippers is the same as or is higher or lower than that paid by the railroads.

On the other hand, if their prices can be increased by the shippers sufficiently to cover freight charges in whole or in part, including the railroad income tax proportion, these price increases will to that extent offset the freight charges and railroad income tax proportion thereof. Insofar as this is the case, therefore, there will be no decrease in the taxable income of shippers on account of freight charges and hence no such compensating deductions against the railroad Federal income taxes as occur where freight charges, including the income-tax proportion, are wholly or partially absorbed by shippers. The extent of the absorption or nonabsorption of freight charges and of the proportion of income taxes paid by the railroads and included in the freight charges is determined by a wide variety of factors too numerous for discussion. With some qualification for the omnipresent competition among commodities with the same or similar utilization or among sellers of identical commodities with often considerable variations in costs, the most important single determinant of the situation is the price elasticity of the various commodities. Where the demand for a given commodity is highly elastic so that even small price changes can result in substantial increases or decreases in volume,

it seems apparent that there will be considerable difficulty in passing on to buyers the full burden of the freight charges initially paid by the shipper, including the railroad income-tax proportion. If, on the other hand, the demand for the product is relatively inelastic so that changes in prices have comparatively little effect on volume of sales, all or much of the shippers' initial freight costs, including the income-tax proportion collected from the railroads, may presumably be passed on in the form of higher prices.

IMPORTANCE OF TRANSPORT TAXES

The importance and burden of the tax problems confronting the railroads is set forth above. In 1951 the net income of the railroads, for example, was \$693,000,000. The total railway tax accruals in that year were \$1,203,000,000. Thus, the "take" of Government through State and Federal taxes was not far from twice the equivalent of the total railroad net income.

Of the foregoing railway tax accruals in 1951, a total of \$567,000,000, or 47 percent, represented Federal income taxes. Under the 1951 Federal income-tax rates, an increase in the rates, fares, and charges necessary to yield the railroads \$100,000,000 of net income would cover into the Treasury of the Federal Government approximately the same amount, if it could be assumed that all expenses were to remain constant.

Is it in the best interests of the general public, and is it possible for the Nation's economy to sustain a rate level which in all respects will comply with the requirements of the law when about half of any general increase which may be justified must be diverted to Federal income taxes? These are important and difficult questions which require careful consideration in connection with the incidence and shifting of the burden either of freight rates or of income taxes. The excise tax on transportation accentuates such difficulties. Somewhat similar considerations also are applicable to the taxes of other agencies of transport, as well as the railroads.

EXPRESS RATES AND CHARGES

The Railway Express Agency, Inc., and class I railroads filed a petition dated January 16, 1952, seeking authority to publish an increase of 6 cents on first-class and multiples of first-class, and on second-class less-than-carload express shipments. The increase sought was to offset an increase in wages of 4 cents an hour which became effective January 1, 1952, under the escalator clause in the wage agreements between the express company and its employees. The estimated annual increase in wages and payroll taxes is \$4,108,000. The estimated increased revenue under the proposal would approxi-

mate \$3,870,000 based on the percentage of first- and second-class traffic computed on an 80-million shipment level.

The express agency was authorized to file a blanket supplement on 30 days' notice, providing for the increase, and this became effective February 28, 1952.

RAILWAY MAIL PAY

In our decision of December 4, 1950, in *Railway Mail Pay*, 279 I. C. C. 633, we determined the fair and reasonable compensation for transportation of the mail, and services connected therewith, by the railroads in the period on and after February 19, 1947, to and including December 31, 1950. The amount was \$312 million in addition to the compensation paid or accrued at the rates in effect on February 18, 1947. This included compensation received from the increase of 25 percent prescribed in our interim report of December 4, 1947, in 269 I. C. C. 357, and readjustment was required accordingly. The report and order of December 4, 1950, disposed of all issues with respect to compensation in the stated period.

We entered our report and order on further hearing on November 13, 1951, in *Railway Mail Pay*, 283 I. C. C. 503, prescribing fair and reasonable rates of pay for transportation of the mail, and services connected therewith, by railroads, on and after January 1, 1951. Basically, the space-basis system for ascertaining the rates and compensation was continued, and increased rates were prescribed for each mile of service by railway post-office cars and apartments, storage cars, and the several lesser units of storage space.

Formerly, the space rates per mile of line-haul service included compensation for all terminal services. Such rates also applied on a round-trip basis to service in railway post-office cars and apartments and in storage service. That system has now been modified. Under the new rates, pay for round-trip mileage applies only to service in post-office cars and apartments. Pay for round-trip mileage in storage service is eliminated. A further modification has been made by limiting the rates per mile to line-haul service and prescribing separate charges for terminal services. These terminal charges are (1) a per car charge for storage cars of 60 and 70 feet in length for each one-way trip applied at point of origin and also at point of destination of the car, and (2) a per piece charge applied to each sack and each parcel carried outside of sacks loaded in lesser units of storage space.

In placing the new system of rates into effect, however, the Post Office Department and some of the railroads have met with certain difficulties in determining the proper compensation for terminal services in connection with storage mail service. Upon a joint petition by the Department and the railroads, we amended our order on

July 15, 1952, so as to provide an alternative method of compensation for terminal services performed from January 1, 1951, to June 30, 1952. By order entered July 21, 1952, we reopened the proceeding for further hearing at the request of the parties to determine what modification, if any, should be made in the charges for terminal service in connection with storage cars and lesser units of storage space for application on and after July 1, 1952. The Department and the railroads are now engaged in making certain tests to obtain necessary data. When they are ready, the proceeding will be set down for further hearing.

PARCEL-POST CHARGES

The Postmaster General, by petition filed June 25, 1952, requested our consent to the establishment of such increased rates and other reformatations, affecting fourth-class or parcel-post mail service, as may be necessary to insure the receipt of revenue sufficient to pay the cost of that service, but stated that the extent of the increases needed cannot be determined by him until data respecting service costs are available for the fiscal year ended June 30, 1952. The petition was filed under section 207 of act of February 28, 1925, as amended (39 U. S. C. 247), and the general provision relating to the Post Office Department contained in the Supplemental Appropriations Act for the fiscal year ending June 30, 1951, approved September 27, 1950 (31 U. S. C. 695), which provided that, thereafter, none of the funds appropriated to the Post Office Department from the general fund of the Treasury should be withdrawn from the Treasury until the Postmaster General certified in writing that he had requested the consent of the Interstate Commerce Commission to the establishment of such rate increases or other reformatations as may be necessary to insure revenue from fourth-class mail service sufficient to pay the cost of such service.

An order was entered by the Commission July 21, 1952, docketing the petition for consideration, and providing that when the Postmaster General submits his proposals for increases in the rates, or for changes in other conditions of mailability of fourth-class mail matter, the proceeding, docket No. 31074, will be set for hearing.

CLASS RATE AND CLASSIFICATION PROCEEDINGS

In our last annual report, at pages 48 to 51, we discussed the status of the uniform freight classification then in preparation and the class rates to be used in connection therewith required or prescribed by our reports in the proceedings entitled, "Docket No. 28300, *Class Rate Investigation, 1939*, and No. 28310, *Consolidated Freight Classification*." By our third supplemental report in No. 28300, 281 I. C. C. 213, dated July 26, 1951, we revised the basic scale of all-rail class rates in appendix 10 to the original report, 262 I. C. C. 447, in order

that the scale might conform to the present and prospective requisites of a just, reasonable, and lawful basic scale of class rates to be applied in connection with the uniform freight classification. We also amended our order in No. 28310 so that the tariffs containing the uniform freight classification would be filed on February 1, 1952, to become effective 120 days thereafter. A special rule of procedure was promulgated with respect to the time of filing protests and requests for suspension to insure time for the handling of such protests.

Because of the suspension of common-carrier water service along the coast on account of the exigencies of World War II, we expressly excluded from the findings in our earlier reports in No. 28300 all of the class rates applicable to rail-and-water coastal services. This matter was accordingly reserved for later consideration. After a further hearing, such consideration was given in our fourth supplemental report, 286 I. C. C. 5, dated May 19, 1952. Limiting the issue to those instances where through routes and joint ocean-rail rates were then in effect, we prescribed maximum reasonable joint ocean-rail, rail-ocean, and rail-ocean-rail class rates on ocean-rail traffic between North Atlantic ports and interior points in eastern seaboard territory, on the one hand, and New Orleans and Baton Rouge, La., and Texas Gulf ports and interior points in the Southwest, on the other. A petition by eastern, southern, and southwestern railroads for further hearing, reconsideration, and modification of our report and order of May 19, 1952, was denied by us on September 15, 1952. The rates prescribed therein became effective generally on September 20, 1952.

The tariffs containing the uniform freight classification and the all-rail class rates reflecting the revised scale were filed on February 1, 1952, to become effective May 30, 1952. Approximately 425 protests were received against the classification adjustment, directed at 1,450 distinct items out of a total of approximately 10,000. Thirteen protests seeking suspension and investigation of the class rate schedules were received.

The consideration and disposition of these protests and requests for suspension, and the making of a report thereon, were specially delegated to division 2 under section 17 of the Interstate Commerce Act by order entered May 19, 1952. It is not our custom to issue reports in passing upon requests for suspension of proposed changes in rates and ratings, but the magnitude of this revision and the long history of litigation which preceded the adjustment made it desirable to review the various procedural steps taken, the general nature of the protests, and to recite the careful consideration given to each and all of the protests made. The division accordingly, on May 23, 1952, issued a fifth supplemental report in Nos. 28300 and 28310, 286 I. C. C. 171.

All of the protests were given special study by our staff, by the personal staff of each member of the division, and by the members of the division individually and collectively. Consideration was also given to the records in the proceedings, the representations of the protestants, and the replies of the carriers thereto. The division found that the class rates filed were those which the Commission had found lawful in its third supplemental report, and that the classification submitted was a substantial compliance with our specifications and would, if applied in connection with the class rates, provide still further relief from the unjust discriminations and the undue preferences and disadvantages disclosed in our former reports and undertaken to be mitigated by our former orders. The division concluded that, in the circumstances, it would be an abuse of administrative discretion and tend to perpetuate violations of the act to suspend the taking effect of any of the protested tariffs, or the uniform classification. It therefore declined to suspend any of the schedules. The new uniform classification and class rates, accordingly, became effective on May 30, 1952.

The eastern and southern railroads also filed tariffs, effective May 30, 1952, and later dates, canceling their classification exceptions ratings on less-than-carload and any-quantity traffic within and between the East and the South, and withdrawing their participation in such ratings applying between the East and the South, on the one hand, and western trunk-line and southwestern territories, on the other. This permitted the uniform classification and the new class rates to become applicable on certain traffic that formerly moved under exceptions ratings and in connection with which a different scale of class rates had generally applied.

While exceptions ratings were not within the scope of the issues in dockets Nos. 28300 and 28310, we reminded the carriers in our original report therein that the uniform classification was intended to be a classification of all commodities, and that the carriers were obligated under the law to maintain just and reasonable, nondiscriminatory, nonprejudicial, and nonpreferential rates thereon. We admonished the carriers, therefore, to reexamine their exceptions ratings, and pointed out that the rectification of any unlawful rate situation might be accomplished as an incident to a new classification of uniform character.

The largest number of exceptions ratings canceled in this adjustment were applicable within the South and between the South and the East. They had been established by the carriers in 1940 to meet motor competition. Approximately 84 protests or requests for suspension were received against this proposed cancellation. Most of the protests were directed to individual commodities or groups of com-

modities, but a few were lodged against the entire adjustment in one or more territories. Our investigation revealed that, while the uniform classification ratings were higher in many instances than the exceptions ratings, a reduction in charges in most of such instances actually resulted from the cancellation because of the lower scale of class rates applicable in connection with the uniform classification ratings. In some instances the adjustment resulted in increased charges between certain points or in certain territories, and reduced charges between other points or territories on the same commodity by reason of the application of the uniform ratings and class rate scales.

After consideration of the protests and replies thereto, the relation of this adjustment to the general class rate revision, and the over-all effect of the cancellations on the public in general, division 2 concluded that the best interests of the public would be served by permitting the schedules to take effect without suspension and investigation. Accordingly, they became effective as published.

Our acceptance of the uniform freight classification is the culmination of the Commission's consistent endeavor, throughout its existence, to promote the unification of railroad freight classifications. In its first annual report in 1887, the Commission commended the work of the railroads in reducing the large number of classifications previously in effect as "extremely important and useful," but emphasized the necessity of a single classification for the entire country. Repeated mention of the importance of unification was made in many of the Commission's succeeding annual reports.

Classification of freight, however, is a continuing problem. Particularly during the last half century, commerce in the United States has expanded enormously, and it is continuing to increase. It is growing not only in total volume and in the radii of distribution of commodities but, what is more important from the standpoint of the necessity of classification changes, it is growing in the variety of the articles which compose it. As new commodities are produced and as the transportation characteristics of the older articles of commerce are modified, it is evident that changes in the existing classification must be made from time to time. In no other way can classification of freight be made to keep pace with changes in the composition of traffic.

CLASS RATES, MOUNTAIN-PACIFIC TERRITORY

Our investigations in No. 30416, *Class Rates, Mountain-Pacific Territory*, and No. 30660, *Class Rates, Transcontinental Rail, 1950*, have not yet been assigned for hearing pending the preparation of the evidence to be presented. A prehearing conference has been held,

and the parties are now preparing their evidence. The railroads have submitted to all parties of record a statement of the shortest rail distances between representative points in mountain-Pacific territory to be used in the preparation of exhibits or traffic studies. The shippers and the Mountain-Pacific Conference of State Commissions desire to present a cost study.

The new Uniform Freight Classification No. 1, prescribed in No. 28310, *Consolidated Freight Classification*, was intended for Nation-wide application, as our investigation in No. 28310 covered the entire country. However, our investigation of class rates, No. 28300, *Class Rate Investigation, 1939*, did not cover class rates in mountain-Pacific territory, or to or from that territory. The Uniform Freight Classification No. 1 became effective in connection with, and simultaneously with, the uniform scale of class rates prescribed in No. 28300 in all territory east of mountain-Pacific territory, on May 30, 1952. (286 I. C. C. 171.) The Uniform Freight Classification No. 1 has not yet been made effective in connection with the existing class rates within, and to and from mountain-Pacific territory pending our investigations in Nos. 30416 and 30660.

SMALL SHIPMENTS

In recent years the problems associated with the transportation of small shipments have become among the most troublesome and difficult of those with which the transport agencies and the Commission have to deal. From the standpoint of cost of service, a small shipment has always presented a special problem. This problem, so far as rates and charges are concerned, derives primarily from cost differences which lie principally in the terminal services. In large part, this situation is due to the fact that much of the cost of picking up, handling, and delivering a small shipment is independent of the weight of the shipment. Certain elements of the pickup and delivery cost, and a substantial part of the general office and terminal clerical cost, being independent of the weight of the shipment, are, therefore, several times as great, per 100 pounds, for a 100-pound shipment as for a 1,000-pound shipment. In addition to these differences in the nature of the pickup and delivery and clerical costs, small shipments require platform handling to a greater degree than shipments of larger size; i. e., the smaller the shipment the less opportunity to avoid platform handling at origin, and at intermediate, interchange, and destination points.

In the post-World War II period the problem associated with the transportation of small shipments has been intensified by reason of the fact that wage costs, which are direct costs, have increased more rapidly than other transportation costs. Increased wage costs have

been particularly pronounced in the terminal service where the wage portion constitutes 65 to 80 percent, as contrasted with line-haul service where no more than 30 to 40 percent of the costs represent wage payments.

All these factors, plus a deterioration of service by some types of transportation, have had a tendency to cause a shifting of the transportation of small shipments among the various transport agencies. The railways and the motor carriers generally have found, in recent years, small shipments to be the least desirable traffic from the standpoint of earnings. While these two types of carriers have made some gains through improved billing and collecting methods, and by efforts to effect a greater consolidation of shipments in pickup and delivery services, these improvements in operation have not entirely offset the increases due to additional wage costs. Another effort to find a solution to this phase of the problem has been through the consolidation of small shipments into carloads or truckloads by direct methods and by use of consolidating and forwarding agencies. Even this method does not go to the root of the difficulties connected with the relatively high cost of terminal handling.

For a long time, rates on small shipments have been relatively lower in relation to the direct costs than the rates on larger shipments. It has been contended in many quarters that small shipments are actually being subsidized to some extent by the larger shipments. As the knowledge of cost finding has advanced, more information is being accumulated in regard to the costs of handling small as well as large shipments. The amount of the contribution to the overhead burden which small shipments may be asked to make above their direct costs rests upon value-of-service principles from which cost factors are excluded. The carriers have attempted to keep their rates on small shipments so adjusted that they will at least cover the direct costs; but this has provoked many controversies.

By one rate proposal, which has reached the form of tariff publication, motor carriers in central territory established, effective May 6, 1952, to expire May 5, 1953, a so-called surcharge of \$1.50 per shipment on shipments weighing less than 5,000 pounds. When the same carriers proposed to eliminate the expiration date and make the charge a permanent part of the tariff system, protests were filed and we suspended the tariff in Investigation and Suspension No. M-4462, *Expiration Date Cancellation—Central States*. An investigation of the lawfulness of the charge is under way. Because of the presence of that and other proposals during the past year, plus substantial changes in the pattern of costs since the close of the records, final action on No. 29556, *Charges on Small Shipments by Railroads*, and No. MC-C-

543, *Charges on Small Shipments by Motor Carriers*, which deal with small shipments by both rail and motor, has been withheld.

The problem is also complicated by the fact that several agencies are participating in the transportation of small shipments under different patterns of service and costs. Anomalies in the rate structure have thus been created which formerly were considered improper; that is to say, it frequently happens now that the charge for inferior service, generally measured in terms of the time in transit, will exceed the corresponding charge for a superior service. There are other factors which may lead to the selection of one transport agency rather than another, such as the convenience to the shipper or consignee of one agency versus the other.

There is also a further difficulty by reason of the fact that the several privately owned transportation agencies are competing with parcel post, a public agency, and in the regulation of the charges of the private transporters not only the Interstate Commerce Act but certain constitutional principles must be observed, while the Government agency, unless Congress is voluntarily disposed to subject it to the same standards of lawfulness, is not so restricted in the making of its rates and charges. In the appropriation bill, Public No. 843, approved September 27, 1950, Congress inserted a requirement that the Postmaster General, in making parcel-post rates, must do so with the view of requiring the shipments by parcel post to pay their own way.

There is confusion in the mind of the public as to what form of service affords the lowest charge, and it seems that as long as so many agencies participate in this field under different patterns of cost and service, there is no escape from some confusion.

The solution of the small-shipment problem in its broadest aspects is not easy to find. The ultimate solution may, in fact, depend upon a better standardization and more streamlining of the basic transportation services. The fact that the contract between the express company and railroads will expire in February 1954 may influence the course of events with respect to the transportation of small shipments.

AGREEMENTS BETWEEN OR AMONG CARRIERS

In prior annual reports, beginning with 1948, we discussed the provisions of section 5a of the act, commonly known as the Reed-Bulwinkle law, and in the report for last year we summarized the applications filed and determined as of the end of the reporting year. During the current year five applications were filed, all by groups of motor carriers. A total of 41 applications has been filed, of which 21 have been disposed of and 20 are pending. Several of these are being held for consideration along with others presenting similar issues

but which are not yet finally submitted for determination. With but few exceptions, the pending applications relate to motor-carrier agreements. Of the railroad agreements submitted for approval, only one remains to be determined.

Among our duties under section 5a is that of inspecting the records of organizations functioning under approved agreements to see that their operations conform to the terms and provisions of the agreements and the standards of section 5a. The scope of this work will continue to expand as the number of approved agreements increases. However, this duty can be discharged only in a limited way under our present restricted appropriation for field forces and travel.

INVESTIGATIONS

Reports have been published in the following investigations of general interest instituted on our own motion:

- Ex Parte No. 175, *Increased Freight Rates, 1951*, 284 I. C. C. 589.
- Ex Parte No. 177, *Increased Express Rates and Charges, 1951*, 283 I. C. C. 431.
- Ex Parte No. MC-37, *Commercial Zones and Terminal Areas*, 53 M. C. C. 451; 54 M. C. C. 21.
- Ex Parte No. MC-39, *Practices of Property Brokers*, 53 M. C. C. 633.
- Ex Parte No. MC-45, *Descriptions in Motor Carrier Certificates*, decided October 20, 1952, — M. C. C. —.
- No. 9200, *Railway Mail Pay*, 283 I. C. C. 503.
- No. 17801, *Rules for Car Hire Settlement*, 283 I. C. C. 639.
- No. 24160, *Divisions of Rates, Official and Southern Territories*, 286 I. C. C. 146.
- No. 26712, *Rail and Barge Joint Rates*, 284 I. C. C. 785.
- No. 28300, *Class Rate Investigation, 1939*, 286 I. C. C. 5; 286 I. C. C. 171.
- No. 28310, *Consolidated Freight Classification*, 286 I. C. C. 171.
- No. 30030, *Special Regulations, Eggs*, 284 I. C. C. 377.
- No. 30108, *Towage Charges, Moran T. & T. Co.*, 284 I. C. C. 562.
- No. 30171, *Charges for Coach Seat Reservations in East and South*, 286 I. C. C. 111.
- No. 30464, *Drugs, Medicines, etc., in Official Territory*, 284 I. C. C. 33.
- No. 30513, *Ground Barite (Barytes), Ark., Mo. & Ga. to Louisiana*, 283 I. C. C. 665.
- No. 30562, *Routing Export Grain to Texas Ports*, 283 I. C. C. 775.
- No. 30605, *Atwacoal Transp. Co., Minimum Rates*, 283 I. C. C. 647.
- No. 30661, *Coal, Illinois & Indiana to Ontonagon, Mich.*, 284 I. C. C. 91.
- No. 30672, *Drugs, Medicines, Etc., from Chicago, Ill., to the East*, 286 I. C. C. 609.
- No. 30687, *Drugs and Medicines, Missouri, Indiana, & Michigan to East*, 286 I. C. C. 609.
- No. 30920, *Amortization Accounting for Emergency Carrier Facilities*, 284 I. C. C. 9.
- No. 30688, *Icing Allowances at Laredo and Brownsville, Tex.*, 286 I. C. C. 271.
- No. 30691, *Candy Between South and Central Territory, Rail*, 284 I. C. C. 105.
- No. 30815, *Alum Between Houston, Tex. and Mobile, New Orleans*, 284 I. C. C. 418.
- No. 30825, *Cotton Linters, Brownsville to Hopewell and Baltimore*, 284 I. C. C. 771.

Other investigations are pending, some of the more important of which are the following:

Ex Parte No. 172, Water Carrier Service on the Great Lakes With Nonowned Vessels.

Ex Parte No. MC-19, Practices of Motor Common Carriers of Household Goods.

Ex Parte No. 104, Terminal Services, Practices of Carriers Affecting Operating Revenues or Expenses, Part II.

Ex Parte No. 179, Rules and Instructions for Inspection and Testing of Multiple-unit Equipment.

Ex Parte No. 182, Released Ratings on Engines.

No. 29556, Charges on Small Shipments by Railroads.

No. 29885, In the Matter of Divisions of Joint Rates Between Official and Southern Territories.

No. 29886, In the Matter of Divisions of Joint Rates Between Official and Southwestern Territories.

No. 30280, Rule 34 of Consolidated Freight Classification No. 18.

No. 30416, Class Rates, Mountain-Pacific Territory.

No. 30475, Unauthorized Free Transportation by Railroads.

No. 30556, Carrier Switching at Industrial Plants in East.

No. 30660, Class Rates, Transcontinental Rail, 1950.

No. 30784, Refund on Lake Cargo Coal to Canada.

No. 30872, Switching at St. Paul, Minn. (Hoffman Avenue Yard).

No. 30940, Status of Parmelee Transportation Company, Chicago, Ill.

No. 30953, Passenger Fares, Hell Gate Bridge Route, New York, N. Y.

No. 30954, Routing Via Seatrain Lines Through Edgewater, N. J.

No. 30956, Rates and Credit Rules on Grain Forwarded From Minneapolis, Minn.

No. 30958, Reduced Rates on Pulpwood in Southern Territory.

No. 30980, Practices of the Norfolk Southern Railway Co. and Norfolk Southern Bus Corp.

No. 31023, Storage In Transit Without Unloading From Cars.

No. 31050, Southern Pacific-Missouri Pacific Increased Passenger Fares.

No. 31074, Increased Parcel Post Rates, 1953.

No. MC-C-543, Charges on Small Shipments by Motor Carriers.

No. MC-C-1115, Motor Carrier Rates New York City Area—New England.

The following proceedings have been discontinued:

No. 29555, Pickup and Delivery Service by Railroads.

No. 30678, T. J. McCarthy, Sr., et al., Investigation of Control Steel Products Steamship Corp.

No. 30841, Batteries from Asheboro, N. C., to Georgia.

No. 30873, Switching Charges at Macon, Ga.

No. MC-C-150, Motor Freight Classification.

No. MC-C-200, Motor Carrier Class Rate Investigation.

No. MC-C-542, Pickup and Delivery Services by Motor Carriers.

No. 30765, Ill. Intrastate Multiple-Ride and Commutation Fares.

No. 30772, Chicago Passenger Fares, New York Central Railroad Co.

No. 30945, Less Than Carload Rates to or via Cairo, Ill.

INTRASTATE RATE CASES

Reports have been published in the following investigations instituted under section 13 (3) of the act:

- No. 30600, *New Jersey Intrastate Commutation Fares*, 284 I. C. C. 129.
- No. 30674, *Montana Intrastate Freight Rates and Charges*, 284 I. C. C. 167.
- No. 30720, *Tennessee Intrastate Rates and Charges*, 286 I. C. C. 41.
- No. 30767, *Iowa Intrastate Rates and Charges*, 284 I. C. C. 225.
- No. 30783, *Louisiana Intrastate Rates and Charges*, 284 I. C. C. 467.
- No. 30824, *Boston & Maine Railroad Commutation Fares*, 286 I. C. C. 494.
- No. 30834, *Increased Passenger Fares, Chicago North Shore and Milwaukee Railway Co.*, 284 I. C. C. 221.
- No. 30869, *Kansas Intrastate Freight Rates and Charges*, 286 I. C. C. 501.

The following proceedings instituted by us under section 13 (3) of the act are pending:

- No. 30761, *Minnesota Intrastate Rates and Charges*.
- No. 30785, *Virginia Intrastate Coal Rates*.
- No. 30959, *Colorado Intrastate Freight Rates and Charges*.
- No. 30960, *Nebraska Intrastate Freight Rates and Charges*.
- No. 30961, *Utah Intrastate Freight Rates and Charges*.
- No. 30962, *Wyoming Intrastate Freight Rates and Charges*.
- No. 31003, *Missouri Intrastate Freight Rates and Charges*.
- No. 31034, *Alabama Intrastate Express Rates and Charges*.
- No. 31066, *North Dakota Intrastate Express Rates and Charges*.
- No. 31107, *Jersey Central Intrastate Commutation Fares*.

GOVERNMENT REPARATION CASES

Briefs have been filed in all the proceedings listed under this heading in prior annual reports, involving charges on Government shipments of freight during World War II. The examiners' proposed report is in course of preparation.

LAWS RELATING TO RAILROAD LABOR

As noted in our annual reports for previous years, the Railway Labor Act, the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and the Carriers Taxing Act authorize us, under certain conditions, to determine whether any line operated by electric power falls within the terms of the provisions of these statutes which exempt street, interurban, or suburban electric railways therefrom. Upon request of certain retired employees, we determined that the North Coast Transportation Co., which had operated an electric railway between Seattle and Everett, Wash., from February 10, 1932, to February 20, 1939, was an interurban electric railway not operated as a part of a general steam-railroad system of transportation and came within the exemption provisions of the above acts.

The Railway Labor Act also authorizes us to amend or interpret our orders defining the work of employees and subordinate officials

of common carriers by railroad. Since our last report we have had submitted to us the question as to whether our orders include the work of maintenance-of-way supervisors on the Chicago, Rock Island and Pacific Railroad Co. No decision has as yet been made.

The following is of collateral interest in the matter of labor employed by railroads engaged in interstate commerce:

Upon request of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, we instituted an investigation under Docket No. 30940, *Status of Parmelee Transportation Company, Chicago, Ill.*, for the purpose of determining whether that company and the services performed by it are subject to part I of the act. A hearing has been held, and a proposed report by the examiner has been issued.

PROTECTIVE SERVICE AND CAR-OWNING COMPANIES

Since our last annual report, we have approved three amendments to existing contracts or agreements previously filed between common carriers by railroad and other persons, for the furnishing to or on behalf of such carriers of protective service against heat or cold to property transported in interstate or foreign commerce, in accordance with section 1 (14) (b) of the Interstate Commerce Act.

Between September 1, 1951, and September 1, 1952, the railroads and railroad-controlled car-line companies installed 4,621 new refrigerator cars and retired 4,093, making a net gain of 528. On September 1, 1952, the railroads and their controlled car-line companies had 3,748 refrigerator cars on order, and other persons, principally privately owned car-line companies, had 803 such cars on order. Class I railroads and railroad-controlled car-line companies owned 99,672 refrigerator cars, and 25,794 of such cars were owned by other persons, making a total of 125,466. The refrigerator-car supply during 1952 has been adequate, except for sporadic minor shortages during the months of January, February, and March, 1952, in Maine, Florida, and the Northwest. The supply is adequate at present. The volume of perishable rail freight moved during the first 8 months of 1952 was eight-tenths of 1 percent less than in the same period of 1951. The present trend shows little, if any, change from that of recent months.

SAFETY WORK AND ACCIDENTS

RAILROAD

The number of persons killed and injured in accidents involving train operation (train and train service accidents) in 1951 totaled 3,207 killed and 22,607 injured, as compared with 3,257 killed and 21,769 injured in 1950. There was a decrease in these accidents in

the first 6 months of 1952 as compared with the corresponding period in 1951, as shown in the following statement:

Train and train service, 6 months, January to June

	Number of persons killed		Number of persons injured	
	1952	1951	1952	1951
Trespassers.....	438	469	392	374
Employees on duty.....	140	141	5,681	6,581
Passengers on trains.....	3	98	998	1,730
Travelers not on trains.....	5	1	24	24
Others.....	753	805	2,227	2,439
Total.....	1,339	1,514	9,322	11,148

The volume of railway traffic in the first half of 1952, as measured in revenue ton-miles, decreased 5.1 percent, and passenger-miles increased 3.9 percent, from that of the same period in 1951. These changes in traffic may be compared with the decrease in the total casualties in train and train-service accidents of 15.8 percent in the same period.

Under the Locomotive Inspection Act all accidents resulting from failure of any part of a locomotive or tender used on the line of a carrier coming within the jurisdiction of the act which result in death or serious injury to one or more persons are required to be reported by the carrier owning or operating the locomotive.

Accidents involving steam locomotives decreased 26.9 percent, and accidents involving locomotives other than steam increased 37.0 percent as compared with the preceding year. The decreasing number of steam locomotives in service and the increasing number of locomotive units other than steam are indicated in the following statement:

Number of locomotives for which reports were filed for fiscal years ended June 30

	Steam locomotives	Locomotives other than steam (units)
Year		
1952.....	20,490	22,716
1951.....	28,595	19,320
1950.....	29,743	15,719
1949.....	33,866	12,692
1948.....	37,073	9,803

Our reports for the past few years have outlined the progress made in the investigation which we instituted in 1946, docket No. 29543, regarding the need for greater protection for high-speed train operation. Reports on all petitions for exemption from or modification of our order in this proceeding have been issued.

Under the Accident Reports Act, approved May 6, 1910, we have investigated the more serious accidents during the past 5 years as follows:

Year ended June 30—	Number of accidents investi- gated			Persons	
	Collisions	Derail- ments	Total	Killed	Injured
1952.....	39	20	59	109	1,353
1951.....	47	18	65	279	2,193
1950.....	45	22	67	100	1,659
1949.....	46	23	69	80	1,210
1948.....	52	28	80	106	1,624

Under existing law we are authorized to investigate accidents and to make reports on such investigations, including such recommendations as we deem proper. A bill (H. R. 1998) enlarging the Commission's authority to require the correction of unsafe practices and to extend its jurisdiction over wayside or train-communication systems, as indicated in the chapter on Electronics in Transportation, has not been acted on by the Congress.

MOTOR

The great expansion of motor-vehicle use in recent years has increased traffic hazards, with a consequent increase in the number of accidents involving vehicles of motor carriers. Registrations of all vehicles in 1951 totaled 51,291,597, as compared with 40,607,956 in 1948. In 1951, 8,623,090 trucks were registered, in addition to 507,000 trailers and semitrailers. It is estimated that intercity transportation of property utilizes 1,047,000 vehicles. The rapid growth of intercity truck transportation is indicated by a 26-percent increase in truck and tractor miles of class I carriers of property in 1950 over 1949, and a further increase of 9 percent in 1951 over 1950.

Reflecting the increased hazards resulting from this expanded use of highway facilities, motor carriers reported 32,526 accidents in 1951, an increase of 26 percent over the total of 25,889 in 1950. The number of persons killed was 1,986, an increase of 14 percent over the total of 1,735 killed in 1950. The number of persons sustaining nonfatal injuries was 22,070, an increase of 17 percent over the 18,906 injured in the preceding year. Property damage resulting from 1951 accidents amounted to \$34,197,750, which was 20 percent greater than that reported in 1950.

Carriers of property reported 30 percent more accidents in 1951 than in 1950. Carriers of passengers reported 4 percent more accidents than in the preceding year. These figures compare with an

increase of 7.33 percent in truck-miles operated, and an increase of 3.22 percent in intercity bus-miles.

The figures shown above relate only to those accidents reportable under the Commission's regulations. Such accidents are defined as those resulting in death or injury to persons and those causing property damage of \$100 or more which occur in the operation of common and contract carriers in their interstate operations which extend beyond the limits of commercial zones of municipalities. The interstate operations of private carriers and those operations of common and contract carriers which are confined to commercial zones are exempt from the accident reporting requirements.

Accidents involving mechanical defects have been increasing steadily since 1942. They reached a total of 1,971 for 1951 in comparison with 1,707 for 1950. In accidents of this type, the trend of both fatalities and injuries is slightly downward, totaling 73 fatalities and 931 injuries for 1951, as compared to 78 fatalities and 937 injuries for 1950. Property damage for 1951, \$3,254,727, considerably exceeded the \$2,863,163 reported for 1950. The increases noted are all attributable to the operations of property carriers, but it has been noted that such operations have expanded very rapidly. As in previous years, and to an even greater extent in 1951, brake failures were the principal cause of mechanical-defect accidents.

Accidents involving fires and explosions followed the same upward trend as did all accidents and mechanical defect accidents, totaling 669 for 1951 as compared to 591 for 1950. In 1951, these accidents which are on the average the most severe types reported, resulted in 195 fatalities, 585 injuries, and \$4,854,172 in property damage. They resulted in the same number of fatalities for 1951 as compared to 1950, but the number of injuries increased substantially. Property damage declined slightly.

Special studies which contain extensive data concerning fire and mechanical-defect accidents, including causes, results, and recommended methods of prevention, were published. These studies have proved to be of considerable interest to motor carriers, manufacturers, and insurance companies, and have also been of value to the Commission and other regulatory agencies.

Accidents reported as resulting from drivers falling asleep at the wheel have declined from 312 reported in 1950 to 202 reported in the 12-month period ended June 30, 1951. No specific reason can be assigned to explain the reduction in reported accidents of this type. However, it has been the experience of the Section of Safety that this figure fluctuates from year to year, between approximately 200 and 325 such reports. It is significant to note that the majority of driver-asleep accidents reported do not purport to show violations of the

hours of service regulations. This unquestionably is due, in part, to the reluctance of carriers to submit self-incriminating information. Special studies of the circumstances under which such accidents occur are being made to the extent possible with the available staff.

On April 14, 1952, the Commission adopted and prescribed a completely revised set of Motor Carrier Safety Regulations to become effective July 1, 1952. The revision of these regulations was undertaken sometime ago, and the rules have been strengthened in the light of experience gained since initial safety regulations were prescribed in 1937. Important changes were made in the minimum qualifications of drivers, the standards of equipment and accessories necessary for safe operation, and in requirements relating to inspection and maintenance of vehicles.

During the year a study was undertaken of a group of 423 property carriers to determine the comparative accident experience of those carriers operating in all parts of the country following special enforcement efforts by our staff. The total mileage operated by these carriers for an annual period prior thereto was 1,413,383,000 miles. For an annual period following the special enforcement efforts, the mileage had increased to nearly 1,900,000,000. With the mileage adjusted to provide a comparable basis, the number of accidents experienced by these carriers had decreased 28.3 percent, the number of fatalities dropped 44.5 percent, and the number of persons injured dropped 40.4 percent. A group of 38 passenger carriers was also studied, which had total mileage of 176,980,000 for the annual periods prior to our special enforcement work. The accidents experienced by this group of carriers, with the mileage adjusted to provide a comparable basis, showed a drop of 33.1 percent for accidents, 26.9 percent for fatalities, and 46.5 percent for persons injured.

Because of the substantial volume of explosives now transported by motor carriers, special attention has been directed by our Section of Safety to carriers of such commodities.

TRANSPORTATION OF EXPLOSIVES BY MOTOR

In recent years there has been rapid expansion in the transportation of explosives by motor vehicles, adding emphasis to the importance of our promulgating the best provisions possible to insure safety in such transportation. The United States Bureau of Mines reports that during 1951, consumption of industrial explosives totaled 753,820,583 pounds in the United States. This was 5 percent greater than in 1950, and was the highest annual total recorded by the Bureau of Mines. Large volumes of explosives have been transported for the military services, but data as to their tonnage are not available. There are no reliable data as to the proportion of explosives transported by

motor vehicles. We have been informed by the Institute of Makers of Explosives that commercial shipments moving from manufacturing plants by truck now constitute as much as 80 percent of the total production for commercial use of some manufacturers. A portion of its membership has estimated that such truck shipments showed a 10-percent increase in 1951 over 1950.

Because of the extensive transportation of these commodities by motor carriers, we have directed as much attention as possible to the safety record and the safety practices of carriers engaged in such transportation. Many applications for authority to transport explosives have been filed. A special study is now being made with respect to each such applicant. In numerous cases we have authorized intervention by our Bureau of Motor Carriers for the purpose of introducing into the record facts bearing on the fitness of the applicants and their willingness to conform to our regulations.

During the calendar year 1951, three explosions were reported to us. One accident involved a truckload of military ammunition which exploded as a result of a tire fire. This caused no personal injuries, but resulted in property damage of \$19,300. Two accidents occurred in the transportation of commercial explosives. These resulted in 2 deaths, 18 injuries, and property damage of approximately \$100,000. One of these accidents occurred off the highway in the plant of a manufacturer of explosives, and involved the vehicle of that firm operated as a private carrier. In the other two explosions, the vehicles involved were those of a common carrier in one case, and a contract carrier in the other.

Our staff has worked closely with representatives of the Department of Defense and the Departments of the Army and Navy in an effort to improve our regulations and to find the best means of promoting the safe transportation of explosives.

ELECTRONICS IN TRANSPORTATION

As of January 1, 1952, train communication systems were in use on 87 railroads, 24 having both line-of-road and yard and terminal installations in service, 24 having line-of-road installations only, and 39 railroads having yard and terminal installations only. The line-of-road installations were in service for operation over a total of 40,796 miles of road, and there were 178 yard and terminal installations. There was a total of 5,409 wayside stations and mobile units, such as locomotives, cabooses, passenger, and other cars, equipped with train communication equipment, and in addition 352 portable radio sets were in service.

The line-of-road installations were comprised of radio systems on 28,804 miles of road, inductive systems on 4,299 miles of road, systems

using a combination of inductive and space radio equipment on 1,103 miles of road, end-to-end installations employing wire connections through the train on 4,426 miles of road, a combined inductive and wire intercommunication system operating over 87 miles of road, and radiotelephone systems provided by communication common carrier, mostly for the purpose of furnishing communication facilities for passengers, were in service on 2,077 miles of road.

The 178 yard and terminal installations consist of 159 radio systems, 11 inductive systems, and 8 installations using leased radio services. One hundred and sixty-two of these installations provide communication between fixed stations and switching engines, and 16 provide communication between portable pack radios, between fixed stations and portable pack radios, and between fixed stations and mobile units other than engines used in various yard operations.

In the year from January 1, 1951, to January 1, 1952, there was an increase of 11 railroads using train-communication systems in line-of-road service, and an increase of 15,062 miles of road over which such systems were operated. There was an increase of 6 railroads using yard and terminal installations, and an increase of 35 such installations. There was an increase of 2,287 wayside station or mobile units equipped, and an increase of 216 portable sets in service.

For the past 6 years we have recommended that section 25 of the Interstate Commerce Act be amended so as to authorize us to require any carrier subject to that section to install and maintain telegraph, telephone, radio, inductive, or other wayside or train-communication systems intended to promote safety of railroad operation. H. R. 1998 and S. 2356 introduced in the Eighty-second Congress would carry this recommendation into effect.

STANDARD TIME ZONE INVESTIGATION

Since our last annual report, there has been no change in our orders defining the limits of the United States standard time zones pursuant to our authority under the Standard Time Act, 15 U. S. C. 261-265. In that report we reviewed the efforts we had made, since the enactment of that act in 1918, to bring about the establishment of "the standard time of the United States" in accordance with the original purpose of that legislation, and our inability to do so because of the limited scope of that act, and the serious and continuous conflicts with different standards of time, particularly during the summer months, adopted by local authorities, frequently without regard to the convenience of commerce.

ADMISSIONS TO PRACTICE

There were 903 applicants admitted to practice during the year which ended October 15, 1952. Of this number, 509, or 56.4 percent,

were members of the bar of the highest court of their respective States. The remaining 394, or 43.6 percent, were nonlawyers who were admitted upon successful completion of the written examinations which we conduct twice each year.

Continuing the upward trend of recent years, both in the number taking the examinations and in the percentage who are successful, 485 nonlawyers took the written examinations during the past year, of which number, 385, or 79.4 percent, passed.

The total number of persons admitted to practice since our bar was established on September 1, 1929, is 21,569. Of these, 15,150, or 70 percent, were admitted as attorneys, while 6,419, or 30 percent, have been admitted as nonlawyers.

SPOTTING SERVICES AT INDUSTRIAL PLANTS

In our annual report of last year, we stated that we had issued, in August of that year, a Statement of Policy admonishing the railroads to apply the principles enunciated in *Propriety of Operating Practices—Terminal Services*, 209 I. C. C. 11, to all industries on their lines in order to reduce the burden of public expense involved in compulsory application of those principles through investigations, hearings, and court procedure, and in order to reduce waste of carrier revenue.

Since that statement was issued we have conducted investigations into the terminal-switching practices at 19 industrial plants. As a consequence of such investigations, respondent carriers canceled allowances at three plants prior to hearing. Hearings have been held in 10 proceedings and they are now in process of disposition. Additional hearings will be scheduled for other industries at which plant inspections have been completed, are now being made, and will be made in the future.

As stated in our Fifty-ninth Annual Report, 1945, conferences were held with representatives of industries and railroads to arrive at rules governing terminal services which would be in conformity with the principles announced in the basic report, and as a result of those conferences a tariff was published effective January 1, 1946, which, they felt, would be in accord with the principles set forth in that proceeding. In the Sixty-third Annual Report, 1949, we stated that experience under the carriers' tariff had convinced us that the application of these rules by the carriers had not achieved the results hoped for. Accordingly, we instituted an investigation on our own motion into the desirability of continuing the tariff in effect, and hearing thereon has been held. A report in that proceeding will issue shortly.

We repeat the recommendation made in our last report that an amendment of the act to prohibit the payment of all allowances to

shippers for performance of their spotting service under tariffs, except by and with our approval in each case, is now desirable. Adoption of such an amendment would accomplish two very desirable purposes. First, provide notice to rail carriers of legislative disapproval of preferential practices and waste of operating revenues involved in the unequal grant of allowances by railroads, as has been so often found and condemned by us and the courts. Second, save much of the expense to the Government involved in Commission compulsory proceedings required for application of Ex Parte No. 104 principles, firmly established as law by the Commission with court approval, as to each separate industry, because of continued failure of carriers to accept and voluntarily apply such principles.

QUESTIONABLE PRACTICES OF CARRIER MANAGEMENT

The act provides that, in the exercise of our power to prescribe just and reasonable rates, we shall give due consideration, among other factors, to the effect of rates on the movement of traffic; to the need, in the public interest, of adequate and efficient transportation service at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable the carriers, "under honest, economical, and efficient management" to provide such service. We are also directed to inquire into and report on the management of the business of carriers, and to keep informed as to the manner and method in which carrier businesses are conducted. To this end our Bureau of Accounts and Cost Finding reports any unusual or questionable management practices disclosed by its field investigations of carrier accounting and related records.

Many violations of the act would not have been detected except from an examination of carriers' records, but these follow no particular pattern and are relatively rare considering the size of the transportation industry. More troublesome is the problem of departures from accepted business ethics. These are not always illegal in themselves, but occasionally will reveal a trend that, if unchecked, may eventually require restraint by regulation or by remedial legislation. Our concern is to distinguish between irregularities that are self-defeating because they discourage patronage, and others which are designed to secure a competitive or other advantage not in the public interest.

One of the practices frequently called to our attention as being questionable deals with unwarranted expenditures for competitive advantage. Of the original considerations which brought about public regulation of transportation, not the least was the practice by railroads of granting rebates to favored shippers. This practice the railroads seemed unable to control unassisted, so the industry

and the public at large benefited greatly from our early efforts, under the antirebating and antiprejudice provisions of the act, to stamp out the evil of rebating. We still have occasion to prosecute for violations of the restrictions on rebating in one form or another, but much harder to identify and control are those favors and advantages whose cost is largely concealed among legitimate expenditures, or is not detailed in the accounts. There is no clear line of demarcation between legitimate efforts to promote good will and other efforts which shade gradually into special favors to preferred shippers, or into disguised tactics to embarrass a competitor.

We have information of practices by carriers, in what appear to be unwarranted expenditures of large sums of money, in maintaining places to entertain and in entertaining traffic managers and others who are in a position to control the routing of traffic. Excessive fees are at times paid to directors who apparently have little to contribute to management but much to add to a carrier's traffic, or to a particular balance of power between groups of stockholders competing for corporate control.

Another questionable practice is the use of noncarrier affiliates to serve carrier purposes by indirection. One reason for the increasing use of such affiliates is that there can be tax advantages by conducting business through or by means of affiliated companies. However, the affiliated or subsidiary company may also be used to avoid reporting required statistical and financial data, to issue securities without our permission, to conceal the real compensation paid to officers and directors, to speculate in land or securities, to finance private business ventures, to burden transportation income with unfair proportions of income taxes paid on consolidated tax returns, or to accomplish other questionable ends.

Our problem in this respect is not the prevention of the use of an affiliate as such. Some affiliated or subsidiary companies have a legitimate place in carrier organization. Our concern is to detect, and if possible prevent, an improper use of such a device without undue interference with efficient and proper intercompany relations. This matter should receive more attention than our limited field staff has been able to devote to it.

Consolidated financial reports from companies under common control are one means of approaching the matter but, like all policing measures, they would not be self-enforcing. Much of the value to be secured from such reports would depend upon the force available to process and interpret them. Our research into the use of consolidated returns filed by the largest railroad systems has not discovered the final answer. There are too often adverse interests in affiliated companies representing equities not readily to be evaluated,

or values assigned to stocks with varying degrees of preference will not remain constant year after year. Investigations will be continued into such measures as a control over activities of affiliated companies, but in the meantime, with our limited forces, such activities must be gleaned principally from unusual items noted in carriers' records of intercompany transactions.

These and similar practices require consideration in order that carrier earnings be not burdened with expenses other than those properly related to transportation operations.

HEARING-EXAMINER LITIGATION

In our Sixty-fifth Annual Report, 1951, at page 52, we discussed the applicability and importance of the *Riss* case, 341 U. S. 907, holding that all cases under section 207 of part II of the Interstate Commerce Act should be heard by hearing examiners appointed pursuant to the provisions of section 11 of the Administrative Procedure Act. Since the date of the Supreme Court's decision in the *Riss* case, April 16, 1951, all proceedings under section 207 have been heard by hearing examiners appointed under the Administrative Procedure Act, but, as referred to in the last annual report, the Commission is considerably concerned with the status of approximately 5,000 proceedings heard after the enactment of the Administrative Procedure Act and prior to the decision of the Supreme Court in the *Riss* case, which had not been heard by examiners appointed under section 11. Reference was made in that discussion to the *Tucker* case, decided adversely to the Commission on October 18, 1951, by the United States District Court for the Eastern District of Missouri, Eastern Division, and of the fact that an appeal from this adverse decision had been taken to the Supreme Court of the United States. The *Tucker* case, which is expected to clarify some of the issues left undecided by the *Riss* case, was argued on October 20, 1952, and the decision of the Court should at least clarify the steps we have to take in the future with respect to those questioned proceedings.

An effort was made during the past session of Congress to have enacted legislation validating the many certificates issued by the Commission during the questioned period, and H. R. 5045, introduced by Congressman Walter of Pennsylvania for that purpose, passed the House without objection. However, the Senate Committee on the Judiciary failed to report the bill out, and the legislation expired with the Eighty-second Congress.

Another aspect of the hearing-examiner problem and its effect upon the work of the Commission has arisen since the last annual report. The Federal Trial Examiners Conference, an organization composed of hearing examiners in many of the agencies of the Government,

brought a suit in the United States District Court for the District of Columbia to set aside certain regulations promulgated by the Civil Service Commission with respect to salary grades of hearing examiners, their promotions, their removal for good cause, and the assignment to such hearing examiners of cases in rotation so far as practicable. The United States District Court for the District of Columbia, in a decision reported in 104 Fed. Supp. 734, sustained many of the contentions of the Federal Trial Examiners Conference, and the judgment of the district court was affirmed by the Court of Appeals for the District of Columbia by a divided vote on July 16, 1952. Since that time the Solicitor General has petitioned the Supreme Court for a writ of certiorari to review the decision of the Court of Appeals. On October 20, 1952, the Supreme Court granted the writ, and when its decision is forthcoming additional clarification of this problem is anticipated.

The matter is of particular importance to the Commission because at present we have hearing examiners in grades GS-11 to GS-15, with salaries ranging from approximately \$5,940 per annum to \$11,800 per annum. The decisions of the lower courts hold that all hearing examiners in a particular agency must be in the same grade, and in view of the fact that we have 115 hearing examiners, nearly 50 percent of the total of hearing examiners in all agencies of the Government, it is apparent that the decision may require increased appropriations for the Commission should the Civil Service Commission ultimately decide, if the court decision stands, that all hearing examiners in this agency must be in one of the top grades.

In the past, we have endeavored to separate the simple, moderately difficult, and extremely difficult cases in assigning them to examiners based upon the amount of experience such examiners have had in conducting hearings, and also based upon the subject matter of the proceeding. For example, a railroad reorganization case would be assigned to an examiner specializing in that subject, and if we are required to assign cases by rotation as held by the lower courts, we would be unable to continue this practice in the future. The result, we think, would be one not intended by Congress in enacting the Administrative Procedure Act, but in any event, we await the action of the Supreme Court in the Federal Trial Examiners Conference case.

WORK OF THE LEGISLATIVE COMMITTEE

The Legislative Committee responded to 113 requests from committee chairmen and other members of the Eighty-second Congress for reports on bills having a bearing on our administrative functions. In addition, it submitted seven reports to the Bureau of the Budget concerning legislative matters upon which that Bureau sought our

views. Members of the Commission on various occasions appeared before congressional committees at their requests for participation in hearings on pending bills and resolutions.

BUREAU OF ACCOUNTS AND COST FINDING

The original act to regulate commerce provided for annual and other periodical reports to be filed by carriers to provide information for regulatory purposes. Compilations from reports so filed were of little use until uniform accounting procedure was required of the carriers. Our experience has been that merely classifying accounts and prescribing accounting rules did not fully discharge the obligation imposed by the Interstate Commerce Act. The Bureau of Accounts and Cost Finding has, therefore, the more important functions of interpreting the regulations as the country's transportation pattern changes, of adapting them to new trends in accounting theory, and of developing from the carriers' accounts financial information vital to many of our regulatory processes.

On October 31, 1952, there were 3,691 carriers subject to prescribed accounting regulations, classified as follows:

Electric lines.....	44
Express company.....	1
Freight forwarders.....	61
Holding companies.....	4
Motor carriers (passenger).....	245
Motor carriers (property).....	2, 379
Pipelines.....	77
Protective service companies.....	8
Railroads, class I ¹	127
Railroads, classes II and III ¹	331
Sleeping car company.....	1
Switching and terminal companies.....	136
Stockyards.....	30
Water lines.....	165
Joint terminal companies.....	82
Total.....	3, 691

¹ Formerly designated "steam" railroads, which reference was dropped for accounting purposes because of progressive dieselization by the railroads.

Motor carriers having less than \$200,000 annual gross revenues, and water lines and freight forwarders having less than \$100,000, are not required to keep their accounts under the prescribed uniform systems, but file a simple annual report form. In this group are approximately 18,300 motor carriers, 115 water lines, and 32 freight forwarders. There are also 102 private car lines which file annual reports but are not required to use the protective service accounting system.

ACCOUNTING AND DEPRECIATION

The one modification of our accounting rules during the year which had most significance is discussed under the chapter, "Amortization Accounting for Emergency Carrier Facilities." Several minor changes were ordered to correct inconsistencies, to clarify the requirements, or to bring one system of accounts into harmony with provisions previously adopted for other systems.

Research was continued into such matters as depreciation of track structure, past depreciation of railroad property, and showing of original cost of railroad property on the balance sheet, as referred to in our past annual reports. All phases of these accounting problems have not been explored, but our investigation shows that carriers will be so variously affected that any rule common to all will work hardship on some. Efforts are being made to secure the benefit of correct accounting procedure in these respects with the fewest necessary exceptions and possible contests.

Other railroad accounting matters receiving attention deal with the form of income statement, delayed income debits and credits, and the segregation of Federal income taxes as between operating and nonoperating income. Our prescribed rules in these respects have been included in State statutory requirements and in the terms of bond indentures, so that the need for modifications of the rules must be clearly established and the full effect of changes must be understood before they are ordered.

Revision of the system of accounts for motor carriers of passengers is in progress to bring the original 1937 issue into conformity with much that has since been done with the accounts prescribed for motor carriers of property. Also, a condensed system of accounts is being formulated for class II carriers of property. Many such carriers are near the borderline of \$200,000 annual gross revenues, so the condensed classification should serve as an introduction to our accounting procedure for those carriers whose future growth will make them subject to the accounts prescribed for class I carriers.

During the year we reissued uniform accounting systems prescribed for class I motor carriers of property, for carriers by pipelines, and for railroad companies. The new issues were without changes in substance as the regulations were in effect at the time of issue, but were in the form required by the Administrative Procedure Act and incorporated all changes ordered since the several issues had previously been printed.

Due to the growth and expansion of the motor-carrier industry, the accounting and financial problems constantly increase in complexity in connection with the reorganization, merger, and consolidation of such carriers, purchases and other acquisition of carrier

property, changes in corporate control, transfer of operating rights, bonds and other securities issued, and changes in capital structure. During the year this required the preliminary review of the accounting features in 1,610 carrier applications, full review of accounting and financial matters in 306 final reports covered by our orders, preparation of 81 analyses of accounting and financial matters to be used in formal hearings, review and approval of statements showing expenditures made and accounting performed by carriers to record transactions approved in 315 cases, and consideration of 9 petitions for change in capital structure.

During the year accounting features involved in finance proceedings of railroads, inland waterways, and carriers by pipelines were reviewed to determine compliance with the prescribed regulations. This included 105 applications for authority to issue securities, 55 applications to abandon operation of carrier property, and the investigation of journal entries submitted pursuant to 67 orders permitting reorganization of corporate structure or the acquisition of carrier property.

During the year, 135 suborders were issued prescribing rates for 89 steam railroads, 30 pipelines, and 16 inland and coastal waterways.

Pending formal action, temporary depreciation rates were authorized in 154 cases to cover classes of property for which rates have been prescribed by order.

Our present program contemplated review of equipment depreciation data for the larger class I railroads every 3 to 5 years, and at least every 5 years for the smaller railroads and for property of pipelines and inland and coastal waterways. Motor carriers and other carriers should be studied from time to time to insure accuracy of depreciation accounting practices.

During the year we analyzed depreciation data of approximately 800 carriers, with resulting issuance of suborders as indicated above. Approximately 45 additional orders are in process of issuance.

FIELD SERVICE

The loss of experienced men in our field service continues at an alarming rate, considering the average age of those who remain and the the length of time required to train new men. Formerly it was practicable, when an occasional new recruit was being trained, to assign him to work with older men on a great variety of investigations. So many of those qualified to instruct new men have been lost that a special training area in and around Washington, D. C., has been designated. There are now seven men working in this area under the direct supervision of the chief of the field service. After they acquire experience they will be transferred to branch offices, or to specific locations in a branch-office territory.

The annual gross revenues of all carriers under our jurisdiction are about \$17 billion, which includes about \$4.8 billion for motor carriers transporting passengers and property over the highways. The number of carriers for which we prescribe uniform system of accounts has remained fairly constant, with the exception of motor carriers of property which increased about 235 in 1952. Of this number, 93 had been class I prior to the year but were removed when the minimum for class I was increased from \$100,000 to \$200,000 annually. The accounts of the majority of the new carriers were examined during the early part of the year 1952 in order to acquaint the personnel with the accounting and reporting requirements and to assist them in understanding the regulations.

Including the field examinations referred to above, the staff made 1,140 regular investigations of the accounts of companies, consisting of 759 motor carriers and 381 all other classes of companies. With but few exceptions, the accounts and records of class I railroads, and motor carriers with annual gross revenues of \$1 million or more engaged principally in the transportation of general commodities in intercity service, were examined during the year. The accounts and records of other companies are investigated at recurring intervals of more than 1 year based on the field force available.

There were 51 special investigations made by the field staff of the accounts and records involving apparent violations of the law, matters regarding applications of our regulations with respect to issuance of bonds and other securities, leasing arrangements, and similar matters relating to our regulatory work. This included continued cooperation with the Department of Justice in cases coming before the Motor Carrier Claims Commission arising from Federal control of certain motor carriers during the war, and work in connection with hearings before the Commission involving practices of the Norfolk Southern Railway Co. and Norfolk Southern Bus Corp.

During the year motor-carrier quarterly and annual reports were received and examined in our Washington office as shown below:

Kind of report	Received	Examined
Quarterly reports—passenger.....	963	953
Quarterly reports—property.....	9,057	19,089
Annual reports—property and passenger.....	2,401	12,296

¹ Includes reports on hand Nov. 1, 1951.

These reports showing operating results and financial conditions are used regularly in connection with the fixing of rates, handling of applications for purchase, merger, and consolidation of operating

authorities, and issuance of securities which require our approval. Our cost-finding section makes extensive use of data in the annual reports in connection with computation of motor-carrier operating costs for the purpose of constructing costs used in a large portion of motor-carrier rate proceedings. As a result of the examinations and correspondence with the carriers, many errors in the reports as originally submitted have been corrected.

The examination of annual reports has been somewhat curtailed due to lack of staff. Only a superficial examination has been made of reports of local carriers, contract carriers, and haulers of special commodities. A more complete examination has been made of the intercity carriers of general commodities with annual revenues of over \$500,000, as those carriers are the principal ones used by the cost-finding section.

COST-FINDING SECTION

This section published the following studies during the year:

Rail carload cost scales by territories as of January 1, 1952.—These mileage-cost scales bring up to date prior studies which show rail carload freight-service costs by territories. The costs are based on the operations of class I steam railways during the year 1950, but are adjusted to reflect wage and price levels as of January 1, 1952. The study shows costs, by types of car, by weights of net load, and by lengths of haul.

Distribution of the rail revenue contribution by commodity groups.—The purpose of this study was to provide a comparison of carload revenues and costs by commodity classes and groups and to indicate generally the contribution made by each to the carriers' revenue needs over and above the revenues required to cover the computed out-of-pocket cost of handling the traffic.

Formula for use in determining rail freight service costs.—This formula was devised for the purpose of determining rail freight service costs for introduction in various proceedings before the Commission, and was released as a matter of information to carriers, shippers, regulatory agencies, and others not parties to the proceedings. This issue of the formula incorporated a number of refinements, and also included accounting changes which have taken place since the publication of the prior issue.

Work was performed in connection with 35 formal proceedings before the Commission. These proceedings included charges on small shipments by railroads and motor carriers, divisions of joint rates, commutation fares of railways and bus lines, switching charges, unloading charges on fruits and vegetables, and other matters including rail, motor, and barge rates on a variety of individual commodities.

During the year members of the section attended numerous conferences with representatives of carriers, shippers, and foreign countries relative to cost and traffic studies.

Cost data were submitted to the suspension board in 1,044 motor, water, and rail matters. These matters included proposed changes in rates or charges governing a wide range of commodities and movements, and in some instances revisions in the general level of rates for an entire rate territory.

The preparation of Nation-wide motor-carrier (freight) cost studies essential for use in various rate proceedings and investigations and for the information of the Commission is continuing. A study of motor-carrier costs in southern territory is nearing completion. Studies in other territories will be made as soon as practicable within the limits of our staff and the availability of machine tabulation facilities.

A special study covering railroad freight-station costs and other performance factors is nearly completed. Factors for use in rail cost-finding work will be provided by this study.

During the year research work was continued for the purpose of simplifying the cost-finding procedures and making their application increasingly flexible so as to make possible the calculation of costs for a wide range of operating conditions. The costs prepared by the section are very helpful to the Commission and its staff and also have been in ever-increasing demand from other Government agencies, State regulatory bodies, shippers, carriers, carrier organizations, and research groups.

BUREAU OF FINANCE

Certificates of convenience and necessity, acquisition of control, etc.—During the year ended October 31, 1952, 91 applications were filed for permission to abandon about 1,294 miles of railroad and 296 miles of operations under trackage rights. The proceedings, in which we rendered 84 decisions, involved the proposed abandonment of about 1,074 miles of railroad and 244 miles of operations. In 54 of those proceedings, involving 532 miles of railroad and 49 miles of operation, no protests or objections were filed by shippers or public authorities. Protests were filed, and hearings held in 34 cases, involving 641 miles of track and 197 miles of operation. Of the applications protested, we denied 4 in whole or in part, involving 99 miles of lines and 2 miles of operation, and authorized the abandonment of the remaining 542 miles of lines and 195 miles of operation. We granted 1 application involving approximately 7 miles of main lines for which substitute lines were authorized, and 59 applications, involving 537 miles of branch lines of class I carriers, 47 miles of trackage rights, and 432 miles of so-called short lines. Of the short-line mileage, 365 miles were abandonments as to interstate and foreign commerce of the entire

lines of the applicants, and 67 were portions of such lines. In proceedings in which certificates were issued, covering 846 miles of road, the estimates of average annual losses from continued operations, or of future annual savings resulting from abandonment, amounted to approximately \$1,061,194. In proceedings covering the remaining mileage, estimates of losses or savings were not given. Mileage and losses in abandonments of lines on which no service has been rendered in recent years because of the absence of traffic have not been included.

In certain cases it has been shown that the necessary cost of rehabilitation or of bringing up deferred maintenance of tracks, which were permitted to be abandoned, aggregating about 482 miles, would require an expenditure estimated at \$3,257,786. Since this amount would necessarily be expended in order to continue operation, abandonment would result in a saving which, to that extent with reasonable accuracy, can be estimated in advance.

Corresponding data are given in our reports beginning with the report for 1934.

In appendix D we have listed the certificates issued, authorizations granted, and pertinent data with respect to proceedings involving the abandonment, construction, and acquisition and operation of lines of railroad under section 1 (18) of the Interstate Commerce Act, and also consolidations and mergers of carriers, purchases, leases, and contracts to operate properties of carriers by other carriers, acquisition of control through ownership of stock, or otherwise, of carriers by other carriers, or by persons not carriers, and acquisition by carriers of trackage rights over, or joint ownership or use of, railroad lines and terminals of other carriers, under section 5 (2) of the Interstate Commerce Act.

In five cases we authorized transfer of certificates or permits of water carriers under section 312.

In our annual report for 1951, reference is made to the application of Seatrain Lines, Inc., for authority to purchase the water-carrier operating rights of Ocean Steamship Co. of Savannah. During the period covered by this report, that application was dismissed at the request of the applicants.

In *Gulf, M. & O. R. Co. Abandonment, Etc.*, 282 I. C. C. 311, we permitted the Gulf, Mobile & Ohio Railroad Co. to abandon operation under trackage rights over lines of the Illinois Central Railroad Co. and the Southern Railway Co. between Corinth, Miss., and Birmingham, Ala., approximately 172 miles, and in lieu thereof to acquire trackage rights over the line of the Louisville & Nashville Railroad Co. between Tuscaloosa, Ala., and Birmingham, Ala., approximately 55 miles, continuing the previously existing service to Birmingham. The contract between the Gulf, Mobile & Ohio and the Illinois Central was in perpetuity, having been entered into between the predecessor

of the former and the latter in 1906. The Gulf, Mobile & Ohio requested that we find and determine that, upon our approval of the abandonment of operation, further payments by it to the Illinois Central would not be consistent with the public interest; and that the Gulf, Mobile & Ohio was relieved by virtue of our certificate of any and all further obligations to the Illinois Central under the trackage agreement of 1906. Payments pursuant to the contract for rental and taxes in 1949 amounted to \$149,571. The Illinois Central contended that we had no authority to relieve the Gulf, Mobile & Ohio of its obligation for the payment of rent under the contract, even though we permitted the abandonment of operation under the trackage rights therein provided for. We held that we have no power to reform contracts, or to relieve carriers of their financial obligations thereunder, in connection with applications for abandonments under section 1 (18) of the act.

By the act of August 2, 1949, section 5 (2) (b) was amended with respect to the requirement that hearings be held in all proceedings under that section involving railroads by providing, in effect, that hearings should not be required in cases in which we determined that a public hearing was not necessary in the public interest. During the year we found that public hearings were not necessary in 32 out of a total of 35 proceedings under section 5 (2).

Two applications filed under section 5 (1) of the act were granted during the year. In one proceeding we authorized three water carriers to pool their services and divide their gross earnings in the transportation of automobiles and other motor vehicles between Detroit, Mich., and Duluth, Minn.; and in the other proceeding the Chicago, Rock Island and Pacific Railroad Co. and Fort Worth and Denver City Railway Co. were authorized to pool traffic, service, and earnings pursuant to the provisions of an agreement relating to their joint Texas division extending from Fort Worth to Galveston, Tex.

Simplification of corporate structures.—During the year, we have authorized transactions under which several carriers have reduced the number of carrier corporations included in their respective systems. The two which merit specific mention are those in *Fort Worth & Denver Railway Co. Merger and Securities*, Finance Docket No. 17722 et al., wherein the properties of seven Texas railroad corporations were merged into those of the Fort Worth & Denver, and *New York Central Railroad Company et al. Merger, etc.*, Finance Docket No. 17700 et al., authorizing the merger into the New York Central of the properties of seven subsidiaries incorporated under the laws of New York, New Jersey, and Ohio.

Controlling persons.—During the year, we authorized Olin Industries, Inc., a noncarrier, to acquire control, through ownership of

capital stock, of the Arkansas & Louisiana Missouri Railway Co., the Mansfield Railway & Transportation Co., the Louisiana & Pine Bluff Railway Co., and the Nacogdoches & Southeastern Railroad Co. (282 I. C. C. 254.) The capital stocks of these railroads were owned by Frost Lumber Industries, Inc., a noncarrier, and by two of its noncarrier subsidiaries, and were to be acquired by Olin as part of the assets of Frost and its subsidiaries. Since it was clear that the interest of the holding company in the four carriers was incidental and subordinate to its ordinary activities of manufacturing diversified products, we concluded that it was not necessary or advisable to subject Olin Industries, Inc., to the provisions of the act relating to accounting, annual reports, etc., except to the extent of filing such special reports as we may hereafter require. In the same proceeding we authorized three individual voting trustees to acquire indirect control of the Louisiana & Pine Bluff Railway Co. and the Nacogdoches & Southeastern Railroad Co. pursuant to the provisions of a voting-trust agreement filed of record.

In *Rockdale, S. & S. R. Co. Operation and Control*, 282 I. C. C. 297, we authorized that carrier to operate in interstate and foreign commerce a line of railroads, 6.71 miles, owned by it in Milam County, Tex. We authorized the Aluminum Co. of America to acquire control of the carrier through stock ownership, subject to condition that Aluminum Co. tender to the trustee of the International-Great Northern Railroad Co. and his successor, a 10-year option under which that carrier may acquire control, or the properties, of the Rockdale upon fair and reasonable terms, subject to our approval. Later, by order of May 15, 1952, on petition of the Texas & New Orleans Railroad Co., we amended the option requirement to provide for notice to that carrier of any action taken with respect to the option, and also provided that during the life of the option, this Commission, either on its own initiative or on motion of any interested party, for good cause shown, may cancel or modify it, or enlarge it so that it will run in favor of the Texas & New Orleans as well as the trustee of the International-Great Northern and its successor.

Railway employees.—The procedure for the imposition of conditions for the protection of railway employees who may be adversely affected by transactions under section 5 (2), and abandonments of lines of railroad under section 1 (18) of the act, as explained in our 1946 annual report, has been followed during the past year.

Pursuant to the decision of the United States Supreme Court in *Railway Labor Executives' Assn. v. United States*, 339 U. S. 142, referred to in our 1950 annual report, we reopened for further hearing *New Orleans Union Passenger Terminal Case*, 267 I. C. C. 763. Upon reconsideration we determined that a fair and equitable arrangement

required by section 5 (2) (f) of the act for protecting the interests of the employees adversely affected by the transaction proposed would be afforded by applying, subject to certain limitations or restrictions, the terms of the so-called Washington Agreement of 1936.

Interlocking directorates.—During the period covered by this report, we received 178 applications from individuals. Disposition was made of 181 applications, of which 179 were granted and 2 denied.

Loans and reorganizations.—Our work in connection with reorganizations effected under section 77 of the Bankruptcy Act, and voluntary alteration or modification of the provisions of outstanding securities under section 20b of the Interstate Commerce Act, is detailed elsewhere in this report.

Issuance of securities and assumption of obligation.—Under the provisions of sections 20a and 214, we authorized during the year the issue of securities for refunding maturing obligations, for refinancing of other unmatured securities, for new money to be used for various corporate purposes, and for the purpose of effecting mergers, reorganizations, and financial readjustments. Under these provisions, we also authorized the assumption of obligation and liability in respect of the securities of others, consisting largely of equipment-trust certificates and the securities of subsidiaries. A statement of the amount of securities involved and the purposes to which they have been applied will be found in appendix D.

Several carriers have filed special applications under the provisions of Ex Parte 158, *In re Competitive Bidding in Sale of Securities*, 257 I. C. C. 129. Of the eight applications filed, those of the Illinois Central Railroad Co. and the Southern Railway Co. were denied. The others were granted for good cause shown. Hearings were held in a number of cases with respect to various issues and assumptions, and proposed exemptions from competitive bidding.

BUREAU OF FORMAL CASES

The formal complaints filed numbered 221, of which 200 were original complaints and 21 subnumbers, a decrease of 70 as compared with the previous period. We decided 301 cases, and 122 have been dismissed by stipulation or on the complainants' request, making a total of 423 cases disposed of, as compared with 450 during the previous period.

Approximately 53 formal and investigation and suspension cases have been reopened for further hearing and reconsideration.

We conducted 318 hearings, 73 arguments, and took approximately 65,420 pages of transcript, as compared with 357 hearings, 81 arguments, and 87,034 pages of transcript during the previous period.

The following statement shows certain facts with respect to the condition of the docket as of October 31 of the years indicated:

	1949	1950	1951	1952
Formal complaints filed.....	303	305	227	200
Subnumbers.....	64	110	64	21
Investigation and suspension cases instituted.....	107	146	106	81
Cases under submission at end of period:				
Regular docket.....	35	54	56	31
Shortened procedure.....	19	29	29	19
Cases disposed of including subnumbers and reopened cases.....	392	467	502	469
Number of cases pending.....	622	678	629	542
Additional proceedings disposed of by formal reports:				
Fourth-section applications.....	35	30	36	24
Ex parte proceedings.....	14	16	21	11
Railway Labor Act (electric railway dockets).....	1	0	0	1
Water-carrier applications.....	15	9	4	5
Freight-forwarder applications.....	10	8	1	3
Section 5a applications.....	1	4	2	5

Approximately 59 percent of the total number of formal complaints filed in the year ended August 31, 1952, were assigned for handling by the shortened and modified procedure methods, as compared with 43, 46, and 43 percent during the three preceding years.

BUREAU OF INFORMAL CASES

The number of informal complaints filed under parts I, II, III, and IV of the act was 2,236, an increase of 884 as compared with the preceding year. The number of such complaints disposed of was 1,947. In a large number of the complaints numerous reductions in rates were secured, refunds of overcharges were made to shippers and passengers, and damages were paid to shippers for the misrouting of shipments by carriers. Many claims also were paid by the carriers for damage to freight.

Rail carriers filed 1,907 special-docket applications for authority to refund charges admitted by them to have been unreasonable, an increase of 197. Orders authorizing refunds were entered in 1,738 cases, a decrease of 238, and reparation thereunder was awarded in the sum of \$1,680,801.48. In addition, 282 special-docket cases were dismissed or disposed of without orders. The Bureau also handled approximately 12,000 letters, many of which had the characteristics of informal complaints although not classified as such, an increase of approximately 2,000 letters over the prior year.

Under date of December 3, 1951, the Commission entered an order entitled: "Petition of Certain Railroads For Authority To Adjust Demurrage Charges." This order, general in character, directed the carriers to make reparation on shipments covered thereby. It is estimated that had the usual special-docket procedure been followed, the Commission would have had presented to it at least 500 individual additional applications.

Through the adjustments under special-docket and informal-complaint procedure, the time and expense of a formal complaint and hearing are avoided. Some of the orders on the special docket covered complaints originally submitted on the formal docket.

The Bureau assists interested parties in adjusting their rates and other transportation difficulties through the medium of informal conferences and by correspondence. Through the efforts of this Bureau, problems of complainants and defendants, in appropriate cases, are handled by an inexpensive and informal procedure. It is recommended that litigants avail themselves of this method of procedure wherever practicable with the view to saving time, effort, and expense.

BUREAU OF INQUIRY

This Bureau is engaged principally in the enforcement of the criminal and penal provisions of parts I, III, and IV of the Interstate Commerce Act and related statutes. Investigations are conducted to determine whether violations of the statutes have been committed by railroads, water carriers, and freight forwarders, or by shippers using their facilities and services. These investigations are conducted by special agents at various points throughout the country under the direction of attorneys who, in turn, review the reports and data procured during the course of the investigation, and make recommendations as to further disposition of the matters. When prosecution or other court action is approved, the cases are prepared by our attorneys for submission to United States attorneys. Where necessary or desirable, our attorneys and special agents assist in the presentation of the evidence to grand juries when indictments are sought rather than the filing of criminal informations, and to the courts, and otherwise assist United States attorneys in the handling and disposition of the cases.

In addition to these activities, the attorneys of this Bureau are assigned to act as counsel for the Commission in proceedings referred to this Bureau for handling. These matters, usually formal docket proceedings, also involve the assignment of special agents to conduct field investigations and assist in the preparation of data to be presented at the hearings.

Approximately 100 investigations of alleged statutory offenses, exclusive of formal docket investigations and other matters, were conducted during the year.

The investigation of alleged violations of service orders by rail carriers constituted about one-third of the work of our special agents. These investigations concerned violations of Service Orders Nos. 859 (Railroad Freight Cars To Be Stopped To Complete Loading), 866 (Railroad Operating Regulations for Freight Car Movement), 869

(Use of Refrigerator Cars for Certain Commodities Prohibited), and 876 (Requirements for Loading of Lumber and Lumber Products). At the close of the year, 25 cases were pending in the district courts in various districts for violations of these orders.

Ten cases involving violations of Service Order No. 866 were disposed of during the year against the same number of rail carriers, which resulted in penalties totaling \$18,850. One case for violations of Service Order No. 869, and another for violations of Service Order No. 876, and one other for violations of Service Order No. 859, resulted in penalties of \$2,700, \$200, and \$500, respectively.

An investigation of the practices of a freight forwarder, Providence-Philadelphia Dispatch, Inc., disclosed that it had been falsely representing the weight of carload shipments of freight, through the medium of which transportation was obtained at substantially less than the published tariff rates. Indictments in 20 counts were returned against the forwarder and two of its officers at Philadelphia, Pa., and in 10 counts each against the Pennsylvania Railroad and New York, New Haven & Hartford Railroad Co., under section 1 of the Elkins Act, charging the forwarder with receiving concessions and the railroads with granting the concessions. Fines of \$5,000 each were imposed upon the forwarder and the two railroads, following their pleas of *nolo contendere*. The officers of the freight forwarder were each fined \$1,000 and placed on probation for a period of 6 months.

In a proceeding against the Upper Columbia River Towing Co., in the district of Oregon, action was brought under section 309 (a) of the act for unlawful operations without a certificate of public convenience and necessity. Trial was had without jury in February 1951, and on November 10, 1951, the court entered an order finding defendant not guilty.

An information in three counts was filed in the southern district of Illinois charging the Chicago, Burlington & Quincy Railroad Co. with unlawful extension of, and operation over, a line of railroad without first having obtained the certificate of public convenience and necessity required by section 1 (18)-(20) of the act. The case was dismissed on February 4, 1952, upon our request following Commission approval of the extension in Finance Docket No. 17443.

Another proceeding which was disposed of during the year related to the receipt of concessions by Allis-Chalmers Manufacturing Co. in connection with demurrage charges. An information in 20 counts was filed against the shipper under section 1 of the Elkins Act, charging it with soliciting and receiving unlawful concessions from three rail carriers at Milwaukee, Wis. Trial by jury was held in the

eastern district of Wisconsin at Milwaukee on June 20, 1952, and resulted in a verdict of not guilty.

Three cases were disposed of in connection with violations of the Commission's regulations governing the transportation of explosives. The first one of these, in the district of Arizona, on an information in three counts, resulted in a plea of guilty by the Atchison, Topeka & Santa Fe Railway Co. on July 14, 1952, and a fine of \$150. The second, in the eastern district of Pennsylvania, was instituted by an information in one count against the Pennsylvania Railroad. Plea of nolo contendere was entered by defendant on November 8, 1951, and a fine of \$375 imposed. The third case against Guy A. Thompson, trustee, Missouri Pacific Railroad Co., in the western district of Louisiana, on an information in one count, was disposed of on October 6, 1952, by a plea of guilty and the imposition of a fine of \$100.

For violations of the Interstate Commerce Act and related statutes, 3 indictments were returned, and 5 informations and 31 complaints were filed in various district courts. Twenty-two cases were concluded, which resulted in the imposition of fines and penalties totaling \$39,875.

During the year 3 attorneys were assigned to represent the Commission in 22 of its formal docket cases. Seventeen cases involved investigations and hearings in connection with *Ex Parte No. 104, Part II, Terminal Services*. There were five formal docket cases in which the Commission was represented at the hearing by Bureau attorneys, who also supervised the investigations. These cases were: No. 30940, *Status of Parmelee Transportation Co., Chicago, Ill.*; No. 16250, *Boston & Maine Railroad Securities Modification*; No. FF-38 (Sub-No. 3), *A. B. C. Freight Forwarding Corporation, Extension—Massachusetts*; No. 30980, *Practices of the Norfolk Southern Railway Co. and Norfolk Southern Bus Corp.*; and No. 30956, *Rates and Credit Rules on Grain Forwarded from Minneapolis, Minn.*

Prosecutions instituted or concluded had their venue in the following States: Alabama, Arizona, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Texas, Washington, and Wisconsin.

A summary (a) of the disposition during the year of indictments returned and informations and complaints filed in the United States district courts, and (b) of cases pending in those courts on October 31, 1952, is set forth in appendix A.

BUREAU OF LAW

On October 31, 1951, there were pending in the courts 56 cases involving our orders or requirements. During the year, 57 cases were

instituted and 46 were concluded, leaving 67 cases now pending. Of these, 10 are in the Supreme Court of the United States, and 57 are in the district courts.

Seventeen cases were submitted and concluded in the Supreme Court, one of which was remanded to the district court for further proceedings, 27 were concluded in the district courts, one was concluded in the Court of Appeals for the Tenth Circuit, one in the Court of Appeals for the Fifth Circuit, and one in the Court of Appeals for the Seventh Circuit.

Summaries of all the foregoing cases are shown in appendix B.

The cases decided by the Supreme Court were:

New York v. United States, 342 U. S. 882.

On November 26, 1951, the Supreme Court granted our motion to affirm the decree of the three-judge court in *State of New York et al. v. United States, Interstate Commerce Commission, et al.* (98 Fed. Supp. 855), which sustained our order in No. 30010, *New York State Commutation Fares, New Haven Railroad*, 279 I. C. C. 151, a section 13 order directing the New Haven to increase its New York intrastate commutation fares between New York, N. Y., and nine stations on its line in the State of New York to the level found reasonable for similar interstate commutation fares applying between New York, N. Y., and stations on the New Haven in Connecticut.

The order of the Supreme Court affirmed the judgment per curiam, with Mr. Justice Black dissenting from the action of the Court disposing of the case without oral argument, and a dissenting memorandum was filed by Mr. Justice Douglas.

Interstate Commerce Commission v. New York Central Railroad Co., 342 U. S. 890.

On December 3, 1951, in a per curiam opinion, the Supreme Court granted the appellees' motion to affirm, and sustained the decision of the United States District Court for the District of Massachusetts, in *New York Central R. Co. v. United States*, 99 Fed. Supp. 394, wherein the lower court had set aside our report and order of May 4, 1950, in Investigation and Suspension Docket No. 5641, *Export Grain from Buffalo to New York*, 278 I. C. C. 31, ordering canceled schedules proposing, in respect of ex-lake grain for export, to reduce the rates from Buffalo and Oswego to Albany and New York, N. Y., Boston, Mass., and Portland, Maine, and from Ogdensburg, N. Y., to Boston; and to increase the storage charges after expiration of free time at Boston and Portland because such schedules were not shown to be just and reasonable.

Mr. Justice Black and Mr. Justice Reed were of the opinion that oral argument should be granted in this case.

Illinois v. United States, 342 U. S. 930.

On February 4, 1952, the Supreme Court granted our motion to affirm, and affirmed per curiam the decree of the three-judge court (101 Fed. Supp. 36), which had sustained the Commission's order in No. 30560, *Illinois Central Multiple Fares in Chicago Area*, 281 I. C. C. 537. This order required increases in the multiple and commutation fares of the Illinois Central Railroad Co. for intrastate travel between stations on its suburban lines within Illinois, in order to remove unjust revenue discrimination against interstate commerce in violation of section 13 (4) of the Interstate Commerce Act. Appeals from the three-judge court order had been taken by the State of Illinois, the Illinois Commerce Commission, the city of Chicago, and certain other parties.

Riss & Co. v. United States (two cases), 342 U. S. 937.

On March 3, 1952, in a per curiam opinion, the Supreme Court granted our motion to affirm, joined in by the United States, thus sustaining the decision of the district court, 100 Fed. Supp. 468. The first case involved portion of our report of January 29, 1940, in No. MC-200, *Riss & Co., Inc., Common Carrier Application*, insofar as it denied applicant a certificate of public convenience and necessity for the carriage of general commodities between the points and over routes and within the territory designated in the application (21 M. C. C. 521), and the second involved our report and certificate of February 3, 1945, in No. MC-200 (Sub-No. 46), *Riss & Co., Inc., Common Carrier Application*, embracing also MC-30077 (Sub-No. 1), *Monark Motor Freight System, Inc., Extension* (44 M. C. C. 802), insofar as said order limits and restricts operation of plaintiff as a common carrier of general commodities over the route or routes and within the territory described.

Central Railroad Co. of New Jersey v. United States, 342 U. S. 935.

On March 3, 1952, in a per curiam opinion, the Supreme Court granted our motion to affirm and that of the United States, affirming the decision of the District Court for the District of New Jersey (99 Fed. Supp. 564), sustaining our report on reargument in No. 29162, *Gardner v. Akron, C. & Y. R. Co.*, 276 I. C. C. 655, wherein we found that allowances for lighterage for car-float service in New York Harbor were not shown to be unjust, unreasonable, or inequitable, or unduly prejudicial; also finding that defendant's practice with respect to maintaining such allowances was not unjust or unreasonable.

National Furniture Traffic Conference, Inc., v. United States, 342 U. S. 935.

On March 3, 1952, in a per curiam opinion, the Supreme Court granted our motion to affirm and that of the United States, and the decision of the district court sustaining our order was affirmed.

This case involved our order of November 20, 1950, in investigation and Suspension Docket No. 5677, *Furniture, L. C. L. from, to, and between the East*, 279 I. C. C. 509 (petition for reconsideration denied March 16, 1952), wherein we found proposed increased less-than-carload ratings on furniture and related articles between points in official and Illinois territories, and between points within those territories and points in southern, western trunk-line, and southwestern territories were just and reasonable.

Interstate Commerce Commission v. James McWilliams Blue Line, Inc., 342 U. S. 951.

On March 10, 1952, in a per curiam opinion, the Supreme Court affirmed the judgment of the district court (100 Fed. Supp. 66), holding invalid our order of June 5, 1950, in No. 30122, *James McWilliams Blue Line, Inc. v. Campbell's Creek R. Co.*, 278 I. C. C. 312, which had found that rates on coal, and rules, regulations, and practices affecting the transportation thereof, from mines in the Pocahontas field to Hampton Roads, Va., thence by ocean to the New England ports, and by barge beyond, were not unreasonable or otherwise unlawful. The lower court held that the practices found lawful by us resulted, in fact, in a violation of section 2 of the act.

Auto Transports, Inc. v. United States, 343 U. S. 923.

On April 21, 1952, the Supreme Court, in a per curiam opinion, granted our motion to affirm, and sustained the decision of the district court (101 Fed. Supp. 132), which in turn had sustained division 5's report and order of May 17, 1950, in No. MC-C-1107, *Auto Transports, Inc., Suspension of Permit*, 51 M. C. C. 600 (petition for reconsideration denied by entire Commission on October 9, 1950), wherein respondent's right to perform contract-carrier service under the Motor Carrier Act was suspended because of its failure to comply with requirements of section 218 of the act, and requirements of Tariff Circular MF-2 and supplements thereto. The Court thus sustained the requirement that a contract motor carrier engaged in transporting goods for a single shipper must file with us schedules containing rates and charges actually maintained and collected, even though the carrier has already filed minimum rates, which are below its actual contract rates.

Swift & Co. v. United States, 343 U. S. 373.

On May 5, 1952, the Supreme Court affirmed the judgment of the District Court for the Northern District of Illinois, which sustained the validity of the Commission's order of July 6, 1949, in No. 29809, *Swift & Co. v. Atchison, T. & S. F. Ry. Co.*, 274 I. C. C. 557, holding that Swift & Co. was not entitled to have direct shipments of livestock delivered by the Chicago Junction Railway on a private siding at a

plant which Swift proposed to construct in the stockyards area in Chicago, without any charge in addition to the line-haul rates.

In respect of the Chicago Junction's switching charge of \$28.80 per car for livestock, in addition to the line-haul rate applicable to private sidetrack delivery at plants of packers located in the stockyards area, challenged by Swift as being unreasonable, discriminatory, and prejudicial, the Court sustained our findings that the charge is neither unreasonable, discriminatory, nor prejudicial because of the complication of operations through additional and different switching movements and additional service required in handling livestock, as contrasted with dead freight which was delivered to private industrial tracks at the line-haul rate without the switching charge being assessed.

As to the reasonableness of the switching charge, the Court pointed out that the identical charge involved in the case, subject to general increases, was found reasonable by us in *Hygrade Food Products Corp. v. Atchison, T. & S. F. Ry. Co.*, 195 I. C. C. 553, and tacitly approved by the Supreme Court in *Atchison, T. & S. F. Ry. Co. v. United States*, 295 U. S. 193. The opinion also stated that the fact that the rate is so high that Swift finds it uneconomical to use does not in and of itself establish the unreasonableness of the rate.

In regard to the contention of Swift that since dead freight is delivered to private industry tracks at only the line-haul rate, it is discrimination against livestock as a commodity to impose a switching charge on it in addition to the line-haul rate for delivery to the same points, the Court pointed out that this argument is completely answered by our finding that livestock requires a greater degree of service, skill, and care in handling than is required in handling dead freight. The Court distinguished the case of *United States v. Baltimore & O. R. Co.*, 333 U. S. 169, relied upon by Swift, from the instant case largely on the ground of the difference in the operational difficulties involved at Chicago as compared to Cleveland.

As to Swift's claim that the switching charge was prejudicial because its competitors in localities other than Chicago receive shipments of livestock at industrial tracks without paying any charge in addition to the line-haul rate, the Court, in sustaining our finding that no prejudice resulted to Swift or preference to its competitors, stated that this was true because Swift's competitors were located largely on the rails of line-haul carriers and no complicated switching movements are involved and that Swift receives at Chicago, as elsewhere, the same rates and services as other packers similarly situated.

The opinion was by Mr. Justice Minton. Mr. Justice Reed, Mr. Justice Frankfurter, and Mr. Justice Douglas dissented.

Shein v. United States, 343 U. S. 944.

On May 12, 1952, the Supreme Court, in a *per curiam* opinion, granted motion to dismiss filed on our behalf and the United States, affirming the decision of the three-judge court for the District of New Jersey, 102 Fed. Supp. 320, which had sustained the Commission's report and order of July 24, 1950, in No. MC-F-4185, *Shein's Express—Purchase*, 56 M. C. C. 711, authorizing purchase by applicant of certain operating rights of Wesley Stillwell and others, subject to condition. Petition for rehearing had been denied by the entire Commission on April 2, 1951.

United States v. Great Northern R. Co., 343 U. S. 562.

On June 2, 1952, the Supreme Court decided this case involving the Commission's report and order of July 31, 1950, in F. D. No. 16515, *Montana Western Ry. Co. Abandonment*, embracing also No. 30325, *Valier Community Club v. Montana Western Ry. Co.*, 275 I. C. C. 512, wherein we prescribed joint rates for the interstate transportation of grain, in carloads, from points on the Montana Western Railway to points on the Great Northern Railway, after finding such joint rates to be necessary and desirable in the public interest, and wherein it also prescribed just, reasonable, and equitable divisions of such joint rates. The lower court set aside our order as one prohibited by section 15 (4) of the act because the through routes and joint rates were established by the Commission for the purpose of assisting the Montana Western to meet its financial needs (96 Fed. Supp. 298). The Supreme Court reversed this decision because it said we were not establishing through routes, such routes were already in existence, and we were merely applying the joint rates over such routes. In such case, the Court held, the Commission can cause a redistribution of revenue between two carriers participating in the transportation of through traffic. Because the lower court had not considered the further attacks on our order, such as want of essential findings, and lack of substantial evidence justifying continued operation of this carrier, the Supreme Court remanded the case to the district court for further proceedings.

The opinion was by Mr. Chief Justice Vinson, and Mr. Justice Black, Mr. Justice Jackson, and Mr. Justice Burton concurred in the result.

Thompson v. United States, 343 U. S. 549.

On June 2, 1952, the Supreme Court reversed the judgment of the District Court for the Eastern District of Missouri (101 Fed. Supp. 48), which had sustained the validity of our order in No. 29461, *Omaha Grain Exc. of Omaha, Nebr. v. Missouri Pac. R. Co.*, decided July 10, 1950, 278 I. C. C. 519, finding that rates on grain from points on the Central Branch of the Missouri Pacific to Omaha are, and for the future will be, unreasonable to the extent that they exceed, or may exceed, rates on like traffic from the same origins to Kansas City.

The case involved the following factual situation: The Missouri Pacific has a single-line route from points on its Central Branch serving northern Kansas, extending from Lenora, Kans. (a typical origin point) via Concordia and Atchison, Kans., to Omaha, Nebr. This route is 449 miles long and the published rate on shipments of grain is 25½ cents per 100 pounds. There is another route of movement to Omaha from Lenora (and points between Lenora and Concordia) by interchange of shipments at Concordia with the Burlington which connects with the Missouri Pacific at Concordia. This route is 336 miles long, and is 113 miles shorter to Omaha than the single-line route. The rate on grain over this route is 30 cents per 100 pounds, made up of the local rates. The Missouri Pacific has a route over its own line from Lenora via Concordia and Atchison to Kansas City, which is 341 miles long (5 miles farther than to Omaha), and charges a rate on grain of 19 cents per 100 pounds.

We had prescribed a rate over the joint Missouri Pacific-Burlington route, not to exceed the rate in effect, on like traffic from the same origins to Kansas City. The issue raised by the Missouri Pacific that we could not compel it to shorthaul itself without its consent was disposed of by us by holding that since through routes between the Missouri Pacific and the Burlington were already in existence, the provisions of section 15 (3) and (4) were no bar to the prescription of reasonable rates.

The Supreme Court found that "The sole question before the Court in this case concerns the content of the term 'through route' as used in the Interstate Commerce Act." It held that the test of the existence of a through route is whether the participating carriers hold themselves out as offering a through transportation service. It further held that there was no evidence that any through service had ever been offered; that track connections, maintenance of local rates applicable on through shipments, or joint class rates from origins on the Missouri Pacific to points on the Burlington, short of Omaha, did not prove the existence of through routes.

The Court held that:

the Commission's efforts to support its finding that a through route from Lenora to Omaha via the Burlington line already exists are inconsistent with the meaning of the term "through route" as used in the Interstate Commerce Act. Since there is admittedly no evidence that the Missouri Pacific ever offered through transportation service over the route in question, the Commission's order is without evidentiary support under the accepted tests for determining the existence of a through route. Accordingly, the judgment of the District Court dismissing appellant's complaint must be reversed.

Brooks Transportation Co., Inc. v. United States, 344 U. S. 804.

On October 13, 1952, the Supreme Court granted our motion to affirm, and sustained the decision of the district court which in turn

had sustained our order in No. MC-80382, *Brooks Transportation Co., Inc., Common Carrier Application*, 42 M. C. C. 867, denying petition of February 26, 1951, to correct the grandfather certificate issued in said proceeding so as to specifically include Piney River, Va., and ordering said carrier to cease and desist from unauthorized operations to and from Piney River, Va.

All States Freight, Inc. v. United States, 344 U. S. 804.

On October 13, 1952, the Supreme Court granted our motion to affirm, and sustained the decision of the district court which in turn had sustained our report and order of June 18, 1951, No. MC-59852 (Sub-No. 8), 53 M. C. C. 821, denying authority to All States Freight, Inc., to serve Ashland and six other points in Ohio.

Frank Kornfeind, d. b. a. Chicago-Nebraska Motor Express v. United States, 344 U. S. 862.

On October 27, 1952, the Supreme Court granted our motion to affirm and sustained the decision of the district court dated May 26, 1952, dismissing the complaint, which in turn had sustained our report and order of March 27, 1951, in docket No. MC-FC-31549, 52 M. C. C. 567, finding that plaintiff lessee by assignment of operating authority MC-18859, had terminated its lease for failure to comply with the terms thereof, and consequently plaintiff should cease operations under such lease.

Other decisions of interest to us in connection with our work were:

Brotherhood of Railroad Trainmen v. California, 342 U. S. 876.

On November 13, 1951, the Supreme Court denied petition for writ of certiorari to review a decision of the Supreme Court of California, 37 Cal. (2d) 412, 232 Pac. (2d) 857, holding that the Federal Railway Labor Act does not apply to State-owned and -operated railroad engaged in interstate commerce, even though operation of railroad is proprietary activity of State.

Texas v. Group of Institutional Investors, 342 U. S. 904.

On January 2, 1952, the Supreme Court of the United States denied petition for writ of certiorari, wherein the lower court (Court of Appeals for the Eighth Circuit), 191 Fed. (2d) 265, held that we had power to override State laws claimed by the State of Texas to stand in way of otherwise lawful railroad reorganization plan.

Armour & Co. v. Louisiana Southern Railway Co., 342 U. S. 913.

On January 14, 1952, the Supreme Court denied petition for writ of certiorari, thus declining to review a decision of the Court of Appeals for the Fifth Circuit, reported in 190 Fed. (2d) 925, wherein the lower court held that we have emergency power to fix demurrage rates and suspend those theretofore in effect, which become effective even though the railroad disobeyed our order to publish announcement of its suspension of rates in effect before order was promulgated.

Boyce Motor Lines, Inc. v. United States, 342 U. S. 337.

On January 28, 1952, the Supreme Court sustained our regulation requiring drivers of motor vehicles loaded with explosives or other dangerous articles to avoid congested thoroughfares so far as practicable, and where feasible. 188 Fed. (2d) 889 affirmed.

The decision by Mr. Justice Clark was accompanied by a dissent by Mr. Justice Jackson, in which Justices Black and Frankfurter joined.

Bondholders, Inc. v. Powell, 342 U. S. 921.

On January 28, 1952, the Supreme Court denied petition for writ of certiorari to review a decision of the Court of Appeals for the Fourth Circuit, reported in 190 Fed. (2d) 74, holding that junior creditors excluded from railroad reorganization plan accepted and confirmed after years of consideration are not entitled to reopening and modification of plan so as to allow them to participate therein, in absence of showing of substantial injustice and that senior creditors have received more in value than amount of their claims, even though earnings of new railroad have exceeded expectations. Mr. Justice Frankfurter filed a memorandum in connection with the denial of the petition.

Morris v. Group of Institutional Investors, 342 U. S. 918.

On January 28, 1952, the Supreme Court denied petition for writ of certiorari to review a decision of the Court of Appeals for the Eighth Circuit, 191 Fed. (2d) 265, holding that evidence supported Federal district court's determination that Commission-approved reorganization plan for railroad and its subsidiaries was fair and equitable, afforded due recognition to rights of each class of creditors and stockholders, did not discriminate unfairly in favor of any class of creditors and stockholders, and conformed to requirements of law regarding participation of various classes of creditors and stockholders.

United States v. R-B Freight Lines, Inc., 342 U. S. 933.

On February 4, 1952, the Supreme Court denied petition for writ of certiorari involving the Government's wartime seizure and operation of motor carrier, wherein the lower court held that this seizure was a taking of property under the fifth amendment entitling the owner to just compensation, which was to be measured by the aggregate fair-market rental value of the truck line's motor and office equipment leased as individual units. The lower court's holding was to the effect that such taking occurred on the date the President by Executive order authorized assumption of Federal control over carrier even though the carrier continued in operation under private management for more than 4 months thereafter, until the Government ousted such management and operated the carrier as a Federal instrumen-

tality. By denying certiorari the Supreme Court declined to disturb this holding.

Duryee v. Erie Railroad Co., 342 U. S. 948.

On March 3, 1952, the Supreme Court denied petition for writ of certiorari to review a decision of the Court of Appeals for the Sixth Circuit, reported in 191 Fed. (2d) 855, holding that a trustee of subsidiary railroad may not maintain an action attacking finality of parent's reorganization under section 77 of the Bankruptcy Act, because the action adds nothing of substance to what had already been before the court in three previous actions by subsidiary's bondholders attacking an order entered in the reorganization proceeding of the parent; and that the action against named individuals for alleged fraud committed by them while serving as trustees in parent's reorganization proceeding was barred by the 2-year statute of limitations specified in section 11 (d) of the Bankruptcy Act, which is applicable to trustees appointed under section 77.

United States Trust Co. of New York, Trustee v. Zelle, Trustee, 342 U. S. 944.

On March 3, 1952, the Supreme Court denied petition for writ of certiorari to review a decision of the Court of Appeals for the Eighth Circuit, reported in 191 Fed. (2d) 822, holding that reorganizing railroad's bondholders entitled to interest at 4 percent until maturity, but at no definite rate thereafter, are not necessarily entitled to 6-percent interest following maturity of bonds during the reorganization proceeding, even if the applicable State law so provides, since the Bankruptcy Act can disregard State law which is not consistent with equitable principles.

Central Railroad Co. of New Jersey v. Director, Division of Tax Appeals of the Department of the Treasury, 342 U. S. 936.

On March 3, 1952, the Supreme Court denied petition for writ of certiorari to review a decision of the Supreme Court of New Jersey, reported in 8 N. J. 15, 83 A. (2d) 527, holding that New Jersey combination property and franchise tax computed on basis of net operating income for preceding calendar year of railroad maintaining property in New Jersey for use in interstate and intrastate commerce, does not violate the commerce clause of the Constitution.

Lord v. Henderson, Director of the Motor Vehicle Department, 342 U. S. 937.

On March 3, 1952, the Supreme Court granted motion to affirm, thus sustaining a decision of the California District Court of Appeals, 105 Cal. App. (2d) 426, 234 Pac. (2d) 197, construing a statute of the State of California, requiring payment of \$15 flat tax on every motor vehicle operated on own wheels, single, in tow, or in caravan on the highways of California, for purpose of sale to, or purchase by, any

person within or without the State, unless operation is confined wholly within one or two zones into which the State is divided for the purposes of the statute, and wherein the lower court held that such statute is a legitimate exercise of the State's right to impose reasonable fees for use of its highways by vehicles moving interstate or intrastate, and does not violate the commerce clause of the Federal Constitution.

Buck v. California, 343 U. S. 99.

On March 10, 1952, the Supreme Court affirmed the judgment of the Superior Court of California, 101 Cal. App. (2d) 907, 226 P. (2d) 87, wherein the Court held that the Motor Carrier Act did not preclude San Diego County from requiring taxicab drivers engaging in transportation of passengers from foreign country (Mexico) across the unincorporated area of the county to points not in that area, from obtaining a license; the operation of taxicabs across State lines or international boundaries is so closely related to local situation that regulation of all taxicabs operating in the community only indirectly affects those in commerce, and so long as there is no attempt to regulate in a discriminatory manner or directly burden or charge for the privilege of doing business in interstate or foreign commerce, the regulation is valid.

General American Transportation Corp. v. Indiana Harbor Belt Railroad Co., 343 U. S. 905.

On March 24, 1952, the Supreme Court declined to review a holding of the Court of Appeals for the Seventh Circuit, reported in 191 Fed. (2d) 865, where the holdings of the lower court were as follows:

Shipper is not entitled to recover from non-negligent initial rail carriers under Carmack Amendment for damage to 66 carloads of box car parts which had been transported by rail from Indiana to Texas for export to France under bills of lading limiting carriers' liability to that of warehouseman for damage occurring after notice of goods' arrival at destination and expiration of free time allowed by tariffs, and which had been damaged by explosions and fire in Texas City disaster more than ten days after consignee had been notified of their arrival at premises of terminal rail carrier where they had been unloaded for storage until shipping space was available, pursuant to consignee's directions; insurer liability of initial carrier under original contract for interstate transportation ceased when goods were unloaded for storage on premises of terminal carrier pursuant to consignee's directions even though goods had not been delivered to ship's side, since switching to ship's side—a movement of not more than one-fourth to one-half mile within confines of terminal carrier's premises—was local terminal switching operation; provision of bill of lading limiting carrier's liability to that of warehouseman for damage occurring after notice of goods' arrival at destination and expiration of free time allowed by tariffs, is reasonable and violates neither public policy nor Carmack Amendment.

Southwest Stone Co. v. Missouri-Kansas-Texas Railroad Co., 343 U. S. 905.

On March 24, 1952, the Supreme Court declined to review a decision of the Court of Appeals for the Fifth Circuit, reported in 192 Fed. (2d) 395, wherein the lower court had held:

In suit by railroad for demurrage charges on freight cars alleged to have actually been placed on shipper's tracks for loading by shipper, trial court did not commit prejudicial error in excluding from evidence letters written in 1937 by shipper to railroad and by railroad to shipper relating to average agreement contract for placement of freight cars on track at shipper's plant for loading, offered in evidence by shipper in support of its contention that tracks on which cars were placed were railroad storage tracks that had been constructed under mutual agreement for benefit of both parties and that none of cars in question had been placed in position accessible for loading or at spot previously designated by shipper, since orders for cars were given orally, such correspondence had no relevancy to period in question, represented prior negotiations, and had been merged into average agreement contract.

Delaware & Hudson Co. v. Boston Railroad Holding Co.

Magenis v. Boston Railroad Holding Co., 343 U. S. 920.

On April 7, 1952, the Supreme Court denied petitions for writs of certiorari, thus declining to review a decision of the Supreme Judicial Court of Massachusetts holding that priority to which publicly held preferred stock of railroad holding company was entitled as against remaining shares of preferred stock held by railroad corporation to which all of holding company's stock was originally issued and which sold some of preferred to general public with its guarantee of payment of dividends and principal, was destroyed by consummation decree in reorganization of said railroad corporation under section 77 of the Bankruptcy Act; no independent right to priority was created by previous Federal district court decrees in antitrust proceedings against holding company and others. (328 Mass. 63, 102 N. E. (2d) 67.)

Chemical Bank & Trust Co., Trustee v. Group of Institutional Investors (five cases), 343 U. S. 929.

On April 21, 1952, the Supreme Court denied petitions for writs of certiorari to review a decision of the Court of Appeals for the Eighth Circuit, 191 Fed. (2d) 265, wherein the lower court held that evidence supported the district court's determination that Commission-approved reorganization plan for the Missouri Pacific Railroad and its subsidiaries was fair and equitable, afforded due recognition to rights of each class of creditors and stockholders, did not discriminate unfairly in favor of any class of creditors and stockholders, and conformed to requirements of law regarding participation of various classes of creditors and stockholders. Mr. Justice Black was of the opinion that the petitions should be granted, and Mr. Justice Frankfurter filed a memorandum with the clerk expressing his separate views.

Turek v. Pennsylvania Railroad Co., 343 U. S. 928.

On April 21, 1952, the Supreme Court denied petition for writ of certiorari to review a decision of the Pennsylvania Superior Court, reported in 369 Pa. 341, 85 A. 2d 845, holding that an interstate passenger injured while riding on a free pass containing release of liability, cannot recover from the railroad in the absence of a showing of willful or wanton misconduct on the railroad's part; evidence was wholly inadequate to warrant finding of speed so excessive as to amount to willful or wanton misconduct.

Tom's Express, Inc. v. Division of State Highway Patrol, Department of Highways, Ohio, 343 U. S. 944.

On May 12, 1952, the Supreme Court dismissed for want of a substantial Federal question an appeal from a decision of the District Court for the Southern District of Ohio, 105 Fed. Supp. 916, dated February 20, 1952, wherein the lower court had held that a statute of Ohio requiring freight trailers and commercial cars weighing 3 tons or more to be equipped with mudguards to prevent rear wheels of such vehicles from throwing dirt, water, or other materials on windshields of following vehicles, is a valid exercise of State's police power and did not overlap or conflict with any Federal statute or regulation.

Public Utilities Commission v. Pollak, 343 U. S. 451.

On May 26, 1952, the Supreme Court upheld the constitutionality of so-called transit radio against the challenge that it violates the right of privacy of the "captive audience."

The opinion states that a passenger on a public vehicle has no right of privacy substantially equal to the privacy to which he is entitled in his own home; in a public conveyance this right of privacy is substantially limited by the rights of others. To reach an opposite conclusion, the Court explains, would permit an objector to override not only the preference of the majority of the passengers but also the Public Utilities Commission which concluded that transit radio, in general, improved the utility service.

County Transportation Co., Inc. v. New York, 343 U. S. 961.

On June 2, 1952, the Supreme Court dismissed an appeal in this case, the lower court's decision, 303 N. Y. 391, holding that neither the Federal Motor Carrier Act nor the commerce clause of the Constitution invalidates a State law requiring the State Public Service Commission's advance authorization of conditional sales contracts executed by small interstate bus company when purchasing new busses. The Court held that the appeal did not present a substantial Federal question.

Chapman, Secretary of the Interior v. Santa Fe Pacific Railroad Co., 343 U. S. 964.

On June 2, 1952, the Supreme Court denied petition for writ of certiorari, thus declining to review a decision of the Court of Appeals for the District of Columbia, dated November 15, 1951, 198 Fed. (2d) 498, holding that land-grant railroad's release of lands executed under the Transportation Act of 1940 to qualify for full commercial rates on Government traffic did not bar railroad's right under prior statutes to select "indemnity lands" to make up deficiencies arising from homestead preemptions of "place lands," even though indemnity lands in question had been withdrawn by Government for forest purposes and railroad had made no selection prior to 1940 release; and that the release, executed by railroad which had vested right to select "indemnity lands" which it could and did sell prior to 1940 to innocent purchaser for value, was excepted from operation of the Transportation Act of 1940 by the saving clause thereof.

Wabash R. Co. v. Byler, 344 U. S. 826.

On October 13, 1952, the Supreme Court denied a petition for writ of certiorari to review a decision of the Court of Appeals for the Eighth Circuit, reported in 196 Fed. (2d) 9, a suit arising under the Safety Appliance Act, wherein the lower court had held that neither contributory negligence nor assumption of risk is a defense to suit to recover damages for personal injuries sustained by a railroad employee by reason of railroad's violation of Safety Appliance Act; that employment application was void insofar as it purported to require switchman to assume risk of his employment; and that the Federal district court, which rendered judgment for the railroad on jury verdict, committed reversible error in admitting testimony bearing on contributory negligence and assumption of risk.

Richmond, Fredericksburg & Potomac R. Co. v. Brooks, 344 U. S. 828.

On October 13, 1952, the Supreme Court denied a petition for writ of certiorari to review a decision of the Court of Appeals for the District of Columbia, dated May 15, 1952, and reported in 197 Fed. (2d) 404, also arising under the Safety Appliance Act, where that court held that the Federal Safety Appliance Act requires that train-brake system function efficiently not merely in or from engine; that a carrier which installs appliances dividing power-brake control between the engineer and conductor, instead of giving exclusive control to the engineer, is liable for inefficient functioning of brakes when operated by the conductor; that the trial court properly instructed the jury that if they found that injuries to Federal Employers' Liability Act plaintiff were proximately caused, in whole or in part, by failure of air brakes to function efficiently at the time of accident, although

applied in the normal, usual, and customary manner by the conductor from rear of train, such failure constituted a violation of the Safety Appliance Act, thereby fastening liability on the railroad irrespective of whether it was negligent.

Pennsylvania Railroad Company v. Donnelly, 344 U. S. 855.

On October 20, 1952, the Supreme Court denied a petition for writ of certiorari in this case, thus declining to review a holding of the Supreme Court of Illinois, 412 Ill. 115, finding that evidence, in a personal-injury action brought by a switchman, that the drawbar on railroad car was too far out of line to effect coupling of cars, that there were no springs on couplers, and that the mechanism of the car was rusted, was sufficient to warrant submission to the jury of the question as to whether the railroad had violated the provisions of the Safety Appliance Act.

SECTION OF LAW AND ENFORCEMENT—MOTOR CARRIERS

The Section of Law and Enforcement was transferred from the Bureau of Motor Carriers to the Bureau of Law effective June 1, 1952. The duties of this section are to provide general legal services to the Commission and its staff in the regulation of transportation by motor carriers in interstate and foreign commerce.

The status of investigations and litigation handled by this section during the year is as follows:

Investigations with the view to enforcement action

Pending Nov. 1, 1951.....	467
Added Nov. 1, 1951 to Oct. 31, 1952.....	488

Total requiring attention.....	955
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Closed.....	426
Pending Oct. 31, 1952.....	529

Total.....	955
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Classification, according to types of violations involved in investigations added during the year. Each unit represents one or a number of violations of the same type by the same person.

Operating without authority.....	254
Nonobservance of rates and charges on file.....	44
Unification without authority.....	2
Nonobservance of safety regulations.....	192
Insurance requirements.....	26
Accounting requirements.....	36
Miscellaneous.....	25

Total.....	579
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Court cases	Civil	Criminal	Total
Awaiting institution Nov. 1, 1951.....	8	66	74
Pending in court Nov. 1, 1951.....	26	152	178
Total cases then on hand.....	34	218	252
Cases authorized during year Nov. 1, 1951, to Oct. 31, 1952.....	65	418	483
Total cases requiring attention during year.....	99	636	735
Cases concluded during year Nov. 1, 1951, to Oct. 31, 1952.....	45	398	443
Cases abandoned during year Nov. 1, 1951, to Oct. 31, 1952.....	4	33	37
Total cases disposed of.....	49	431	480
Awaiting institution Oct. 31, 1952.....	5	94	99
Pending in court.....	45	111	156
Total cases on hand Oct. 31, 1952.....	50	205	255

Of the 398 criminal cases concluded, 378 resulted in the imposition of fines totaling \$205,815; four resulted in acquittal; and the United States attorneys moved for dismissal of 16 cases for various reasons. Of the 45 civil cases concluded, 28 involved forfeiture proceedings, which resulted in forfeitures imposed amounting to \$19,875. The remaining civil cases were actions brought to enjoin violations, appropriate decrees being entered against the defendant in 16 cases, and a decree was entered for the defendant in 1 case. Of the total fines and forfeitures amounting to \$225,690 imposed, \$216,075 was required to be paid.

Classification by types of offenses charged in court proceedings concluded November 1, 1951, to October 31, 1952. Each unit represents one or more violations, of the type indicated, charged in a proceeding against a defendant or joint defendants, including aiders or abettors:

Operating without authority.....	145
Operating without insurance filed.....	8
Operating without rates filed.....	9
Failing to observe lawful rates.....	1
Rebates and concessions.....	15
Violating c. o. d. regulations.....	15
Permitting excess driving hours.....	22
Permitting excess on duty hours.....	9
No doctors' certificates for drivers.....	26
Failing to require drivers to keep logs.....	30
Failing to require drivers to keep proper logs.....	40
Drivers failing to keep logs.....	7
Drivers failing to keep proper logs.....	135
Drivers falsifying logs.....	8
Using defective equipment.....	3
Failing to file (or filing false) accident reports.....	23
Failing to file (or filing false) hours of service reports.....	20
Unlawful extension of credit.....	11
Seeking to evade regulation by fictitious leases.....	13
Failing to file (or falsifying) accounting reports.....	23

Failing to issue, preserve, or improper B/L, F/B, or receipts.....	5
Unauthorized control of carriers.....	3
Failing to properly identify vehicles.....	3
Violating explosives regulations.....	31

Administrative proceedings before the Commission

Pending Nov. 1, 1951.....	93
Added Nov. 1, 1951, to Oct. 31, 1952.....	42

Total requiring attention.....	135
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Closed.....	65
Pending Oct. 31, 1952.....	70

Total.....	135
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The participation of the Bureau in the above proceedings was for the purpose of presenting evidence and developing the issues with respect to such matters as the fitness of applicants to secure new operating authority or to acquire such authority from others; complaints alleging operations or practices in violation of the act; investigations to determine the necessity for new rules and regulations or for changes in or additions to existing ones; investigations to determine the existence of unlawful control of carriers and matters relating to the revocation of certificates or permits. In many of these proceedings the issues were quite complex and the testimony voluminous.

An important part of the work of this section is to prepare opinions on questions arising under part II of the act. During the year, there were handled 1,196 written requests for advice and opinions relating to legal questions, both from within the Commission and from the public. In addition to requests for interpretations, possible redress in informal complaints, the proper compliance with Commission regulations, necessity for operating authority, etc., considerable work was done in reviewing the content of regulations and general orders, prior to their release, for compliance with statutory limitations. Comments and recommendations were prepared on proposed amendments to the Interstate Commerce Act and on other bills during the year.

The briefing unit, whose duties were described in our report for 1944, prepared a total of 175 research memoranda and briefs during the year.

BUREAU OF LOCOMOTIVE INSPECTION

The work of this Bureau is shown in detail in the report of the Director, published separately. The report here made is for the fiscal year ended June 30, 1952.

The following tables covering the fiscal years indicated are self-explanatory.

TABLE I.—*Reports and inspections—steam locomotives*

	Year ended June 30—					
	1952	1951	1950	1949	1948	1947
Number of locomotives for which reports were filed	20,490	26,595	29,743	33,866	37,073	39,578
Number inspected	45,220	62,113	66,809	85,353	93,917	94,034
Number found defective	6,234	7,995	6,740	7,035	9,417	10,248
Percentage of inspected found defective	13.8	12.9	10.1	8.2	10.0	10.9
Number ordered out of service	370	508	399	436	654	708
Number of defects found	24,738	34,657	28,504	28,642	38,855	41,250

TABLE II.—*Accidents and casualties caused by failure of some part of the steam locomotive, including boiler, or tender*

	Year ended June 30—					
	1952	1951	1950	1949	1948	1947
Number of accidents	122	167	169	228	341	360
Percent increase or decrease from previous year	26.9	1.2	25.9	33.1	5.3	14.1
Number of persons killed	3	14	7	10	15	16
Percent increase or decrease from previous year	78.6	¹ 100	30.0	33.3	6.3	¹ 60.0
Number of persons injured	126	170	184	243	361	464
Percent increase or decrease from previous year	25.9	7.6	24.3	32.7	22.2	¹ 5.7

¹ Increase.TABLE III.—*Accidents and casualties caused by failure of some part or appurtenance of the steam locomotive boiler*¹

	Year ended June 30—							
	1952	1951	1950	1949	1948	1947	1915	1912
Number of accidents	35	51	59	81	104	116	424	856
Number of persons killed	2	3	4	9	14	12	13	91
Number of persons injured	36	59	70	94	108	124	467	1,005

¹ The original act applied only to the locomotive boiler.TABLE IV.—*Reports and inspections—locomotive units other than steam*

	Year ended June 30—					
	1952	1951	1950	1949	1948	1947
Number of locomotive units for which reports were filed	22,716	19,320	15,719	12,692	9,803	7,805
Number inspected	65,263	52,948	42,503	30,684	20,798	13,115
Number found defective	6,087	4,375	2,748	1,238	853	633
Percentage of inspected found defective	9.3	8.3	6.5	4.0	4.1	4.8
Number ordered out of service	135	106	42	20	21	19
Number of defects found	16,613	11,935	6,325	2,804	1,745	1,442

TABLE V.—*Accidents and casualties caused by failure of some part or appurtenance of locomotive units other than steam*

	Year ended June 30—					
	1952	1951	1950	1949	1948	1947
Number of accidents.....	74	54	51	49	41	40
Number of persons killed.....	1	2	3	-----	-----	2
Number of persons injured.....	77	129	50	67	50	41

INVESTIGATION OF ACCIDENTS AND GENERAL CONDITION OF LOCOMOTIVES

All accidents reported to the Bureau as required by the law and rules were carefully investigated and appropriate action taken to prevent recurrence as far as possible. Copies of published reports of accident investigations were distributed to interested parties and otherwise used in our effort to bring about a diminution in the number of such accidents.

STEAM LOCOMOTIVES

One hundred and twenty-two accidents occurred in connection with steam locomotives, resulting in 3 deaths and 126 injuries. This represents a decrease of 45 accidents; 11 in the number of persons killed, and 44 in the number of persons injured compared with the preceding year.

During the year, 14 percent of the steam locomotives inspected were found with defects or errors in inspection that should have been corrected before the locomotives were put into use. This is an increase of 1 percent from the results of the preceding year. Three hundred and seventy locomotives were ordered withheld from service by our inspectors because of the presence of defects that rendered the locomotives immediately unsafe. This is a decrease of 138 locomotives compared with the preceding year. Locomotives found defective were not ordered out of service if such defects did not render them unsafe for the service to which they were put.

EXPLOSIONS AND OTHER BOILER ACCIDENTS

Four boiler explosions occurred in the fiscal year. One person was killed in these accidents and six were injured. There was a decrease of two in the number of boiler explosions; a decrease of two in the number of persons killed and a decrease of seven in the number of persons injured compared with the preceding year.

Three of the explosions occurred on locomotives in freight-train service and one on a locomotive in charge of a watchman. All explosions were caused by overheated crown sheets due to low water.

One of the locomotives used in freight service was equipped with a low-water alarm which apparently had functioned, but no testimony was developed to indicate that the low-water alarm warning whistle sounded or was heard by members of the engine crew. In this instance the water level at time of the explosion, as shown by discoloration of the crown sheet, had been approximately $7\frac{1}{4}$ inches below the highest part of the crown sheet. In a second explosion involving a locomotive in freight-train service, evidence indicated that the unsafe water level was known to employees on the locomotive prior to the accident. No defects were found on this one and none on the third freight locomotive, which would have contributed to the accidents.

Examination of the boiler that was damaged by explosion while in charge of a watchman disclosed that the left water-gage-glass steam pipe was bent downward. The sagged section formed a water trap 17 inches long and $2\frac{1}{2}$ inches deep, which could have resulted in a false water-level indication. Discoloration of the crown sheet indicated that the water level had been approximately 4 inches below the highest part of the crown sheet.

Thirty-one boiler and appurtenance accidents other than explosions resulted in 1 fatality and injuries to 30 persons. This is a decrease of 14 accidents, an increase of 1 in number of persons killed, and a decrease of 16 in the number of persons injured as compared with the preceding year.

EXTENSION OF TIME FOR REMOVAL OF FLUES

Eight hundred and forty-five applications were filed for extension of time for removal of flues, as provided in rule 10. Our investigations disclosed that in 93 of these cases the condition of the locomotives or other circumstances were such that extensions could not properly be granted. Eight were in such condition that the full extensions requested could not be authorized, but extensions for shorter periods of time were allowed. Thirty-five extensions were granted after defects disclosed by our investigations were required to be repaired. Forty-four applications were canceled for various reasons. Six hundred and sixty-five applications were granted for the full period requested.

LOCOMOTIVE UNITS PROPELLED BY POWER OTHER THAN STEAM

Seventy-four accidents, resulting in 1 death and injuries to 77 persons, occurred in connection with locomotive units propelled by power other than steam. This represents an increase of 20 in the number of accidents, a decrease of 1 in number of persons killed, and a decrease of 52 in the number of persons injured compared with the preceding year.

During the year, 9.3 percent of the locomotive units inspected by our inspectors were found with defects or errors in inspection that should have been corrected before the units were put into use. This represents an increase of 1 percent compared with the results obtained in the preceding year. One hundred and thirty-five locomotive units were ordered withheld from service by our inspectors because of the presence of defects that rendered the units immediately unsafe; this represents an increase of 29 units compared with the preceding year. Locomotive units found defective were not ordered out of service if such defects did not render them unsafe for the service to which they were put.

SPECIFICATION CARDS AND ALTERATION REPORTS

Under rule 54 of the Rules and Instructions for Inspection and Testing of Steam Locomotives, 61 specification cards and 2,277 alteration reports were filed, checked, and analyzed. These reports are necessary in order to determine whether or not the boilers represented were so constructed or repaired as to render safe and proper service and whether the stresses were within the allowed limits. Corrective measures were taken with respect to numerous discrepancies found.

Under rules 328 and 329 of the Rules and Instructions for Inspection and Testing of Locomotives Other Than Steam, 3,781 specifications and 636 alteration reports were filed for locomotive units, and 839 specifications and 267 alteration reports were filed for boilers mounted on locomotive units other than steam. These were checked and analyzed and corrective measures taken with respect to discrepancies found.

APPEALS

No formal appeal by any carrier was taken from the decisions of any inspector during the year.

BUREAU OF MOTOR CARRIERS

Although there have been some increases in motor-carrier rates during the year, they have not been sufficient to offset increases in wages and operating costs, and the operating ratios of many carriers have advanced accordingly. The increased volume of traffic during the current quarter of the year should partially offset the adverse trend in operating ratios.

Some manpower shortages have developed during the year, and many carriers continue to complain about the turn-over in personnel. While the shortages and turn-over have not been such as to seriously impair

the operations of the industry, it will be necessary for the carriers to improve and further expand their training programs during the coming year. The movement to encourage the employment of handicapped persons is expected to result in the placing of many competent and reliable handicapped persons.

A number of carriers have constructed new terminals and shops during the past year. These new terminals have facilitated interchange of freight and thus relieved some of the congestion which existed at certain important traffic centers.

The transportation of United States mail has provided an increasing source of revenue to motor carriers. As of September 23, 1952, 315 short-haul truck routes (T-routes), and 105 Highway Post Office (HPO) routes had been established. The HPO is a mail-sortation-in-transit service, differing from the short-haul truck route service, which is primarily for hauling bulk mail. All of the latter service is being performed by trucking firms, whereas approximately two-thirds of the HPO routes are operated by the United States Post Office Department and only one-third by trucking firms.

The effective date of our order prescribing rules to govern motor-vehicle leasing and interchange practices has been further postponed pending disposition by the appeal now pending in *Eastern Motor Express, Inc., et al. v. United States and Interstate Commerce Commission*.

In Ex Parte No. MC-40 and related proceedings, 54 M. C. C. 337, decided April 14, 1952, we prescribed new motor-carrier safety regulations which became effective generally on July 1, 1952. An attempt has been made to bring the text of the rules into conformity with the Uniform Vehicle Code to the fullest extent possible.

Along with the enormous increase in highway use, the total number of deaths and injuries reported to the Commission continues to rise. The following data for the past 10 years disclose that except for 2 years the number of fatalities and injuries has increased from year to year:

Calendar year	Fatalities	Injuries	Calendar year	Fatalities	Injuries
1951.....	1,986	22,070	1946.....	1,338	16,565
1950.....	1,735	18,906	1945.....	1,150	14,346
1949.....	1,471	17,787	1944.....	1,133	12,921
1948.....	1,501	18,677	1943.....	1,056	10,461
1947.....	1,382	17,367	1942.....	1,124	9,993

A special survey of the accident experience of 461 motor carriers, which is discussed under the heading, "Safety Work and Accidents—Motor," on page 69 of this report, reveals the success of our small

staff in concentrating upon the institution of safety programs by the fleet operator. With an adequate force of safety inspectors to enforce the new safety regulations and to foster and encourage the adoption of adequate fleet safety programs, we feel that the accident, injury, and death rates of both property and passenger carriers could be substantially reduced.

The delay in handling application and complaint cases because of an inadequate staff continues.

SECTION OF CERTIFICATES

The general duties of this section were described in our annual report for 1937. Following is a summary of the status of the various applications handled by this section:

Applications filed since enactment of part II of the Interstate Commerce Act

	Cumulative to Oct. 31, 1951	Received Nov. 1, 1951, to Oct. 31, 1952	Cumulative to Oct. 31, 1952
Grandfather applications filed on and prior to Feb. 12, 1936.....	82,777	0	82,777
Grandfather applications filed after Feb. 12, 1936.....	6,797	0	6,797
Applications for authority to institute new operations.....	41,889	2,408	44,297
Applications for authority to conduct broker operations.....	1,526	18	1,544
Statements under second proviso of sec. 206 (a).....	7,693	480	8,173
Applications for temporary authority under sec. 210a (a).....	39,342	2,198	41,540
Applications for exemption of one State operations under sec. 204a (4a).....	135	1	136
Extension of temporary authorities under sec. 9 (b), (5 U. S. C. 1008 b).....	13,543	427	13,970
Applications for transfer or lease of operating rights under sec. 212 (b).....	28,397	1,277	29,674
Applications for transfer or lease of operating rights, or for acquisition of control under sec. 5.....	5,058	293	5,351
Applications for temporary authority under sec. 210a (b).....	1,523	89	1,612
Grandfather applications filed under secs. 205 and 209, as amended by Public Law 748, Sept. 1, 1950.....	122	33	155
Total applications received.....	228,802	7,224	236,026
Applications granted ¹	105,904	4,920	110,824
Applications dismissed, withdrawn, or denied.....	118,873	2,703	121,576
Applications pending.....	4,025	² -399	3,626
Total.....	228,802	7,224	236,026

¹ Certificate, permit, license, or other authority issued.

² Net difference between applications received and applications actually handled.

634 certificates, permits, and licenses revoked Nov. 1, 1951, to Oct. 31, 1952.

The following statement indicates the number of motor carriers and brokers whose operations are subject to regulation under part II of

the act. Motor carriers operating exclusively under temporary authority granted under section 210a (a) are not included:

Motor carriers	Cumulative to Oct. 31, 1951	Nov. 1, 1951, to Oct. 31, 1952	Cumulative to Oct. 31, 1952
<i>Property carriers</i>			
Common—issued certificates under secs. 206 or 207	14,579	1—358	14,221
Common—under second proviso of sec. 206 (a)	1,966	+448	2,414
Contract—issued permits under sec. 209	2,833	—54	2,779
"Grandfather"—no final authority issued	2	0	2
"Late grandfather"—no final authority issued	0	+1	1
Total property carriers	19,380	+37	19,417
<i>Passenger carriers</i>			
Common—issued certificates under secs. 206 or 207	1,410	—22	1,388
Common—under second proviso of sec. 206 (a)	132	+15	147
Contract—issued permits under sec. 209	18	—1	17
"Late grandfather"—no final authority issued	1	—1	0
Total passenger carriers	1,561	—9	1,552
Total motor carriers	20,941	1+28	20,969
<i>Brokers issued licenses under section 211 of the act</i>			
Property	88	—3	85
Passenger	97	+1	98
Total brokers	185	1—2	183

¹ Net difference between number of carriers at beginning and end of reporting period.

SECTION OF COMPLAINTS

The following table indicates the condition of the docket of the Section of Complaints for the year ending October 31, 1952 (corresponding data for the year ending October 31, 1951, are also given):

	Oct. 31, 1951	Oct. 31, 1952
Applications for common-carrier certificates, contract-carrier permits, brokers' licenses, and certificates of exemption:		
Received for handling	3,255	2,330
Reopened	178	166
Hearings	2,605	1,647
Under submission at end of period	512	287
Disposed of, including reopened proceedings:		
Recalled by Section of Certificates for further handling	63	104
Dismissed	453	470
By effective recommended order	1,504	1,237
By report of the Commission or a division of the Commission	989	980
Pending at end of period	2,397	2,102
Petitions disposed of	994	811
Complaints and investigations relating to motor carriers' rates, rules, practices, and investigation and suspension proceedings:		
Formal complaints filed, including subnumbers	40	48
Investigation instituted	20	18
Investigation and suspension proceedings instituted	401	578
Reopened	3	2
Hearings	157	20
Under submission at end of period	75	45
Disposed of, including subnumbers and reopened proceedings:		
Dismissed or discontinued	289	442
By effective recommended order	67	61
By report of the Commission or a division of the Commission	57	95
Pending at end of period	355	403
Petitions disposed of	40	168

	Oct. 31, 1951	Oct. 31, 1952
Finance applications under sec. 5 of the act:		
Received for handling.....	337	298
Reopened.....	41	37
Hearings.....	235	228
Under submission at end of period.....	66	75
Disposed of, including reopened proceedings:		
Dismissed.....	38	28
By report of the Commission or a division of the Commission.....	340	268
Pending at end of period.....	200	239
Petitions disposed of.....	293	257
Temporary authority applications under section 210a (b) disposed of.....	109	104
Proceedings to determine whether holders of certificates, permits, and licenses are complying with the terms of the act, the Commission's orders, rules, and regulations, and the terms of their operating authorities:		
Formal complaints filed, including subnumbers.....	31	28
Investigations instituted.....	38	20
Reopened.....	5	10
Hearings.....	49	39
Under submission at end of period.....	20	15
Disposed of, including subnumbers and reopened proceedings:		
Dismissed or discontinued.....	11	21
By effective recommended order.....	34	29
By report of the Commission or a division of the Commission.....	15	23
Pending at end of period.....	74	59
Petitions disposed of.....	94	72

SECTION OF INSURANCE

Notwithstanding the shortage in personnel, the Section of Insurance has been able to perform on a current basis most of the essential duties of administering our rules and regulations under sections 211 (c), 215, and 403 (c) and (d) of the act, governing the filing and approval of surety bonds, insurance, and qualifications as a self-insurer, as security for the protection of the public in the case of brokers of transportation and motor carriers operating under part II of the act, and freight forwarders performing services under part IV. During the year the section received and approved or disapproved 47,684 certificates of insurance and 1,988 surety bonds, and it recommended approval or disapproval of 5 applications for approval of qualifications as a self-insurer. It also received and handled 8,223 notices of cancellation, and 907 rescinders of notices of cancellation or notices reinstating previously canceled policies of insurance or surety bonds, and reviewed and analyzed 287 financial statements of previously authorized self-insurers and corporate sureties, other than surety companies approved by the Treasury Department, as acceptable sureties on bonds executed in favor of the United States of America.

Approved and effective surety bonds or certificates of insurance under effective policies of insurance, assuring payment of final judgments recovered against motor carriers and freight forwarders for bodily injuries to, or the death of, persons, or loss of or damage to property of others, resulting from negligence in the operation, maintenance, or use of motor vehicles, are on file in the section in behalf of approximately 21,112 motor carriers and freight forwarders, while 15,834 approved and effective surety bonds or certificates of insurance

under effective policies of insurance, covering the legal liability of motor common carriers of property and freight forwarders to compensate shippers and consignees for loss of or damage to cargo, are on file. Also, a total of 221 surety bonds guaranteeing the financial responsibility of brokers of transportation are in effect.

The section has given close attention to the enforcement of our rules and regulations so as to make certain that the prescribed security for the protection of the public is on file at all times for use by the public when it may be required. During the year from November 1, 1951, to October 31, 1952, the section reported a total of 3,277 non-compliance cases to the field staff for investigation. A total of 3,304 noncompliance cases were cleared up during the year as a result of the enforcement program. Operations by motor carriers, brokers of transportation, and freight forwarders under the act without compliance with the rules and regulations in respect of security for the protection of the public were negligible, notwithstanding the large number of reported noncompliance cases. The field investigations established that the vast majority of such cases were due to delays or misunderstandings of one kind or another with respect to the filing of certificates of insurance with us. Correspondence with the motor carriers, brokers of transportation, or freight forwarders, and the insurance and surety companies has resulted, in practically every instance when insurance was in effect, in getting the certificate of insurance on file promptly for use by the public.

With respect to its duty of keeping us informed as to the financial stability of the insurance companies which file certificates of insurance with us, the Section of Insurance reviewed and considered available published reports as to each of the more than 400 insurance companies, and examined and analyzed detailed financial statements from 65 companies.

Because of the importance of the security for the protection of the public, and the large volume of surety bonds, certificates of insurance, notices of cancellation, and other documents the section is required to handle, it is essential to its efficient operation that it have additional personnel to enable it to review constantly and make an adequate check of its records and files.

SECTION OF SAFETY

The Section of Safety employees performed the work necessary for completion of our revised safety regulations referred to above.

The staff reviewed field investigations of 117 serious accidents involving motor carriers. This was a reduction of 45 such investigations under the number studied during the preceding year. Analyses of the investigation reports were made for the purpose of advising the

motor carriers involved, as well as informing our staff, as to the causes of the more serious accidents. These investigations have been used in considering the modification of the safety regulations. In the several cases in which highway conditions contributed to the cause of such accidents, we have had excellent cooperation from the Bureau of Public Roads in effecting improvements.

During the fiscal year, we received from motor carriers 35,276 accident reports, compared with 33,114 in the previous year, and with 24,862 in the year prior thereto. We stated in our previous report that the increase in motor-carrier accident reports received and the limitation of personnel made it necessary for us to develop accident data on a 50-percent sample basis. Beginning in January 1952, we were obliged to curtail this to a 30-percent sample. Some handling of all accident reports received is necessary to obtain figures on the total number of accidents, the number of persons killed and injured, and total property damage. However, detailed analyses are now made of only 30 percent of the reports received.

We received 2,583 safety surveys of carriers, and 829 subsequent surveys by members of the field staff to determine the extent of compliance with the safety regulations. There were received 10,409 driver-equipment compliance checks. These consist of an examination by a member of the field staff of both the vehicle and the driver, or drivers if the check is made when drivers are present. Most such checks are made while the vehicle is en route. The principal vehicle defects discovered through these checks were defective lighting devices, faulty wiring connections between tractors and trailers, missing or defective fire extinguishers, and other emergency accessories. Other important violations disclosed include hours of service violations, improper drivers' logs, and failure to placard vehicles transporting explosives or other dangerous articles.

Special reviews of safety compliance by individual motor carriers were made in connection with 150 applications for additional authority to transport explosives. These studies include analyses of special reports filed by the field staff and a study of the accident experience and previous compliance record of the applicant as disclosed by the records of the Section of Safety. As a result of these studies, recommendations were made in numerous cases that the Bureau of Motor Carriers be authorized to intervene for the purpose of introducing into the record evidence of the extent of safety violations by the applicant. A number of such applications were withdrawn prior to hearing.

In our last report we also stated that we had reduced the analyses of excess hours of service reports to a 50-percent basis. We have been forced to continue examination of these reports on that curtailed

basis. The 50 percent of the reports examined during the fiscal year consisted of 8,573 monthly reports, which included 23,188 forms. These showed violations by 92,546 drivers. Excess daily driving hours were reported in 60,813 instances. Violations of the weekly on-duty limitation were reported in 243,933 instances. A total of 12,810 monthly reports was received from carriers stating that no excess time had occurred in the periods covered by those reports.

The growing trend toward tank motor-vehicle transportation for new-type liquids and gases and the expressed interest in such vehicles for many commodities now transported in small containers have resulted in many revisions in the regulations. The prospect is for continued and ever-increasing utilization of tank motor vehicles. We have attempted to assure that such transportation will be conducted safely by specifying the type of equipment to be used and by reviewing applications for authority from tank-truck carriers, but neither the specifications nor the reviews have been as extensive or desirable because of limitations of time and staff. We have cooperated in the organization and work of carrier and shipper committees on specifications.

Members of the Section of Safety staff have continued to confer with manufacturers of vehicles and accessories and with technical groups for the purpose of obtaining their consideration of improving the safety factor in the design of vehicles, parts, and accessories brought to our notice by accident analyses. Members of the section have continued to serve on various committees of national safety organizations including committees of the National Safety Council, the President's Highway Safety Conference, the American Association of Motor Vehicle Administrators, and the Federal Safety Council.

FIELD

This staff assists in the administering of part II of the Interstate Commerce Act by dealing directly with the general public, motor carriers, brokers, State regulatory bodies, and other agencies on all phases of transportation by motor vehicle. The field staff is located in 15 district offices and 62 supervisory offices, situated in the principal cities selected with due regard to the convenience of the shipping and traveling public and the carriers, to the scope of and number of carriers in the territory covered and to appropriation limitations. Formerly, there were 16 district offices, but on November 20, 1951, district 11 was consolidated with district 12 with headquarters at Fort Worth, Tex. Another change in field personnel made during the period covered by this report was the transfer of field attorneys to the Bureau of Law, effective June 1, 1952.

In the performance of their numerous duties the members of the field force during the past fiscal year examined the records and operations of 1,656 carriers to determine the extent of compliance generally, and of 2,771 carriers to ascertain the degree of compliance with regulations governing the qualifications and maximum hours of service of drivers and safety of operation and standards of equipment. They also investigated 198 accidents, substantially all of which involved fatalities, conducted 128 special surveys of carriers for compliance with explosive regulations, handled 4,123 cases involving failure to provide or delay in obtaining proper insurance coverage, processed 2,489 applications for temporary authority to conduct emergency operations, and reported on 1,409 applications for permanent operating rights. A total of 12,342 complaints was filed with the field offices, and, after investigation thereof, the staff submitted 441 recommendations for enforcement action. The field staff members, in addition to their activities as Bureau of Motor Carriers employees, act as field representatives of the Street and Highway Division of Defense Transport Administration. In that capacity they made monthly, comprehensive surveys of motor transportation conditions throughout the Nation and submitted reports to the Defense Transport Administration, keeping it currently informed regarding the adequacy of the motor-carrier transportation and as to the needs of the industry and its patrons. The field force also conducted investigations and submitted reports on a considerable number of applications of motor carriers for defense loans or accelerated amortization; for authority to commence construction of transportation facilities or for grants of material allocations. Several members of the field staff represented the Defense Transport Administration on regional manpower committees, and others acted for that agency in determining whether carriers' requests for special permits covering oversize or overweight loads of defense materials were justified and, if so, certifying the need to the States involved. All directives or requests received from the Defense Transport Administration by the field staff are being accorded preferred attention in order that the needs of national defense for adequate street and highway transportation may be met.

BUREAU OF SAFETY

A more detailed report of this Bureau is published as a separate document.

Except as otherwise specified, the report here made is for the year ended June 30, 1952.

SAFETY APPLIANCES

The following table shows the result of inspection of safety appliances, together with corresponding data for the preceding year:

	1952	1951
Freight cars inspected.....	1, 185, 675	1, 156, 408
Percent defective.....	3. 67	3. 62
Passenger-train cars inspected.....	29, 079	31, 584
Percent defective.....	3. 76	3. 57
Locomotives inspected.....	13, 184	12, 573
Percent defective.....	2. 50	3. 22
Number of defects per 1,000 units inspected.....	43. 80	42. 60

During the year, 145 cases of violation of the safety appliance laws, comprising 472 counts, were transmitted to United States attorneys for prosecution. At the beginning of the year, 325 counts were pending in the district courts. Judgment was confessed on 442 counts, 1 count was dismissed, and 45 counts tried, resulting in judgment for the Government on 32 counts, for the defendant on 10 counts, and 3 await decision. Three of the 32 counts decided in favor of the Government have been appealed by the defendant, while 7 of the 10 counts decided in favor of the defendant have been appealed by the Government. The 12 counts awaiting decision last year are still undecided. On June 30, 1952, 82 cases comprising 309 counts were pending in the district courts.

The Commission's order of September 21, 1945, requiring the application of AB brakes to cars used in freight service, was further amended by an order issued July 23, 1952, extending the effective date of the order, insofar as it pertains to cars used in interchange service, to December 31, 1952. The order, as amended, requires that all cars used in freight service shall be equipped as required, on or before December 31, 1952.

Certificates of approval issued by the Association of American Railroads for 29 geared hand brakes are currently in effect: 17 of the vertical wheel type, 9 of the horizontal wheel type, and 3 of the lever type.

HOURS OF SERVICE

The following table contains statistics for the year and corresponding data for the preceding year:

	1952	1951
Railroads filing hours-of-service reports.....	647	656
Railroads reporting instances of excess service.....	168	185
Instances of excess service reported.....	8, 592	9, 519

Seven cases of violation of the hours-of-service law, comprising 26 counts, were transmitted to United States attorneys for prosecution. At the beginning of the year, cases comprising 15 counts were pending in the district courts. Judgment was confessed on 40 counts. On June 30, 1952, a case of one count was pending in the district court.

SIGNAL SYSTEMS, INTERLOCKING, AUTOMATIC TRAIN-STOP,
TRAIN-CONTROL AND CAB-SIGNAL DEVICES

According to reports submitted by the carriers, block-signal systems, interlocking and automatic train-stop, train-control, and cab-signal devices were in use on January 1, 1952, as follows:

	Plants	Miles of—		Locomo- tives
		Road	Track	
Block-signal systems:				
Automatic.....		78, 112. 4	109, 056. 5	
Nonautomatic.....		30, 188. 2	31, 466. 3	
Total.....		108, 300. 6	140, 522. 8	
Interlocking: Number of plants.....	4, 339			
Automatic train-stop, train-control, and cab-signal devices:				
Train-stop.....		8, 146. 6	14, 112. 0	5, 200
Train-control.....		969. 2	1, 812. 6	671
Cab-signal.....		3, 515. 0	7, 798. 5	4, 552
Total.....	4, 339	12, 630. 8	23, 723. 1	10, 423
Corresponding totals, Jan. 1, 1951.....	4, 352	11, 187. 3	21, 720. 7	10, 270

Detailed information concerning these installations is contained in the annual statistics bulletin, compiled separately.

During the year, 511 applications for approval of modifications of block-signal systems and interlockings were filed by the carriers. At the beginning of the year, action was pending on 46 applications, previously filed. Of these, 497 applications were acted upon, 3 were withdrawn, and action was pending on 57 at the close of the year.

During the year, 22 applications were filed in connection with the rules, standards, and instructions prescribed by the Commission's order of June 29, 1950, and 58 were acted upon. At the close of the year, 33 applications were pending. During the year public hearings were held on 11 applications and appropriate action taken.

Monthly signal-failure reports filed by the carriers are summarized in tables 3, 3a, and 3b of the appendix of the Bureau report, the totals being as follows:

False restrictive failures.....	32, 885
False proceed failures.....	119
Potential false proceed conditions.....	17

During the year, inspections were made as follows:

Block-signal systems.....	891
Interlockings.....	2, 131
Automatic train-control and cab-signal devices.....	623
Traffic control systems.....	497
Other similar appliances, methods, or systems.....	20
Total.....	4, 162

These inspections have resulted in bringing to the attention of the railroad managements for necessary corrective action a large number of unsatisfactory maintenance conditions which have been found to exist.

During the year, 6 cases of violation of section 25 of the Interstate Commerce Act, comprising 30 counts, were transmitted to United States attorneys for prosecution. Judgment was confessed on eight counts. On July 1, 1952, 3 cases comprising 22 counts were pending in the district courts.

INVESTIGATION OF ACCIDENTS

The Bureau investigated 59 train accidents, of which 39 were collisions and 20 were derailments. The collisions resulted in 90 deaths and injuries to 1,041 persons. The derailments resulted in 19 deaths and injuries to 312 persons. The totals were 109 killed and 1,353 injured.

Four of the more serious accidents investigated were the following:

Head-end collisions between two passenger trains on the Texas & Pacific Railway near Lettsworth, I.a., on August 10, 1951. Casualties—13 killed and 82 injured. Cause—train occupying main track on time of opposing superior train without protection.

Rear-end collision between two passenger trains on the Union Pacific Railroad at Wyuta, Wyo., on November 12, 1951. Casualties—17 killed and 159 injured. Cause—failure to operate following train in accordance with signal indications.

Head-end collision between two passenger trains on the Southern Railway at Woodstock, Ala., on November 25, 1951. Casualties—17 killed and 68 injured. Cause—failure to operate north-bound train in accordance with signal indications.

Head-end collision between two freight trains on the Union Pacific Railroad at Orchard, Idaho, on November 25, 1951. Casualties—5 killed. Cause—failure to operate the west-bound train in accordance with yard-limit restrictions.

GRADE CROSSINGS—RAILWAY WITH HIGHWAY

During the calendar year 1951, there were 3,995 accidents at highway grade crossings, which resulted in the death of 1,578 persons and the injury of 4,335 persons. Automobiles were involved in 3,653 of these accidents, in which 1,396 persons were killed and 4,161 injured. There were 61 derailments of trains at highway crossings involving automobiles, which caused the death of 23 persons and the injury of 95 persons. Casualties to persons on trains resulting from derailments and other train accidents at highway crossings consisted of 2 killed and 95 injured. Information concerning highway grade-crossing accidents, together with comparable statistics for the preceding 2 years, and the number of crossings, railway with highway, is shown in the following table:

Accidents at highway grade crossings, years ended December 31, 1951, 1950, and 1949

	1951			1950			1949		
	Number	Number of persons		Number	Number of persons		Number	Number of persons	
		Killed	Injured		Killed	Injured		Killed	Injured
Accidents at highway grade crossings.....	3,995	1,578	4,335	4,000	1,576	4,368	3,523	1,507	3,774
Accidents at highway grade crossings involving automobiles.....	3,653	1,396	4,161	3,662	1,393	4,206	3,171	1,307	3,607
Derailment of trains at highway grade crossings involving automobiles.....	61	23	95	62	23	99	39	16	46
Miscellaneous train accidents as a result of collisions between trains and automobiles.....	260	91	154	232	93	89	207	96	111
Automobiles registered.....	51,291,597			48,548,568			44,120,243		
Railroad casualties:									
Passengers.....		1	52			31			50
Employees on duty.....		4	112		8	84		10	69
Persons carried under contract.....			3			3			4
Total.....		5	167		8	118		10	123

MEDALS OF HONOR

No applications for medals of honor under the act of February 23, 1905 (45 U. S. C. 44 and 45), were filed during the year.

INVESTIGATION OF SAFETY DEVICES

During the year, plans and specifications of eight devices designed to increase safety in railway operation were examined, and opinions thereon transmitted to the proprietors or their agents.

BUREAU OF SERVICE

This Bureau has continued to perform the field work in connection with rail transportation for the Defense Transport Administration. Investigations have been made in tax amortization and loan cases and in warehouse and port facilities. Twenty-eight of our service agents represent the DTA Manpower Division on regional and area committees.

We have policed to secure compliance with the service orders and other orders issued by the Commission and the Defense Transport Administration. A résumé showing cases of violations referred to the Bureau of Inquiry for prosecution is included in that Bureau's report. Investigations in connection with Ex Parte No. 104, Part II, have been actively progressed. During the past year our agents have conducted investigations at 20,244 railroad agencies and yards. They have submitted 16,347 letter reports of terminal investigations, and 12,841 reports of industrial detention. There were 486 embargoes placed against industries which were delaying cars; and we disposed of 108 demurrage and 113 passenger service complaints.

During the period of the Omaha-Council Bluffs flood, our agents in that area worked and cooperated with other interested Government agencies and the railroads to minimize the delays in the movement of traffic.

The service agents not only conduct investigations to assure adequate service by the rail carriers but they are available to industry in numerous matters concerning transportation. We have taken an active part in effecting the consolidation of the field offices of the Commission.

Principal accomplishments during the past year were: The movement of livestock from the drought-stricken areas of the Southwest; the movement of the heaviest harvest on record of fruits and vegetables from Florida, Georgia, and South Carolina with but few complaints; the movement of high-moisture wheat from the Northwest; the prompt movement of the second largest winter- and spring-wheat crop on record; the all-rail movement of ore from the head of the lakes to the steel mills; and the conversion of a large car shortage into a car surplus.

Labor disturbances throughout the year which have retarded industry also had their effect on transportation. The two principal strikes of the year occurred in the oil and steel industries. The steel strike seriously curtailed operations of allied industry, particularly automobile manufacture, etc. Car loadings slumped, but are again on the upgrade. Shortages of high-class boxcars continue.

A study of the utilization of all freight-carrying equipment for the year 1951 reveals the highest average loadings per car ever recorded.

The average tons per car originated in 1951 was 41.98 tons. This average compares with 40.97 tons in 1950, and is 0.40 ton per car higher than the previous high of 41.58 in 1948 and 0.97 ton per car higher than the 1943 average of 41.01.

Compared with 1950, an increase of 2,158,224 cars and 123,713,731 tons originated is recorded in 1951. The increase in average tons per car for all traffic originated was 1.01. The greatest increase was in products of agriculture, 1.77 tons per car; manufactures and miscellaneous 0.96; and products of forests 0.69 ton per car. This was due in part to the loading requirements of Revised Service Orders Nos. 874 and 876, and Service Order No. 878. The number of serviceable cars owned was 1,661,455 on December 31, 1951, compared with 1,674,599 on December 31, 1948, and 1,707,854 on December 31, 1943. The revenue ton-miles reported for 1951 were 646.6 billion, the highest since 1945, and 87.7 percent of the 1944 figures, which were the highest ever recorded.

Had the 1,467,022,603 tons originated in 1951 been loaded to the 1950 average of 40.97 tons per car, it would have required 862,473 additional cars. This represents a saving of 71,873 cars per month.

Due in part to the effects of Service Order No. 865, the average detention over the 48-hour free time during 1951 was 14.74 percent, compared with 19.29 percent in 1950. In February 1952 the average detention was 13.70 percent, the lowest average for February in 7 years.

The average car-miles per serviceable car in 1951 was 46.0, compared with 45.2 in 1950, and 51.9 in 1944, which was the highest ever recorded. The number of net ton-miles per freight-car day in 1951 was 954, compared with 888 in 1950. The number of net ton-miles per train-mile was 1,301, compared with 1,224 in 1950. Net ton-miles per loaded car-mile were 33.0, compared with 31.7 in 1950.

Following are the revenue coal loadings for the 36-week period this year, compared with those of the past 2 years:

	1952	1951	1950
36 weeks ended September 6.....	<i>Cars</i> 4, 551, 107	<i>Cars</i> 4, 975, 503	<i>Cars</i> 4, 752, 617
1952 decrease under 1951.....	¹ 424, 396		
1952 decrease under 1950.....	² 201, 510		

¹ 8.5 percent.

² 4.2 percent.

Noted below are the latest statistics showing stocks, consumption, and lake movements of bituminous coal and iron ore for 1952 and 1951:

	1952	1951
Bituminous coal (net tons):		
United States stocks as of Aug. 1.....	79,314,000	74,100,000
United States consumption to Aug. 1.....	232,974,000	253,076,000
United States production to Sept. 6.....	311,560,000	356,691,000
On Lake Superior docks as of Aug. 1.....	3,145,000	3,343,162
Dumped Lake Erie docks to Sept. 9.....	27,544,486	30,052,879
Percent lake program met to Sept. 9.....	62.7	66.8
Iron ore (gross tons):		
United States stocks as of Aug. 1.....	26,560,315	31,972,274
United States consumption to Aug. 1.....	36,995,149	49,217,988
Forwarded upper lake docks to Sept. 9.....	41,284,129	61,846,197
Percent lake program met to Sept. 9.....	56.5	68.7

There is an all-rail movement of ore originating in the upper lakes region and destined to various steel mills—Chicago, St. Louis, and east which, to September 6, 1952, totals 1,870,069 tons. The movement is presently averaging around 160,000 tons weekly, and this volume should continue until the severe weather, usually prevailing in the Lake Superior region in early December, interferes.

The following statement shows overseas coal tonnage shipped by months for the 8 months of 1952, compared with the corresponding period of 1951:

Export coal shipped overseas

Month	Gross tons	
	1952	1951
January.....	3,902,830	1,252,307
February.....	3,147,115	1,646,976
March.....	3,006,769	2,129,042
April.....	1,918,566	2,322,679
May.....	1,845,648	2,574,992
June.....	2,080,447	2,346,619
July.....	1,639,447	2,561,466
August.....	1,641,834	3,265,051
Total.....	19,182,656	18,099,132

Overseas exports appear to have leveled off at around 1,600,000 tons monthly, and may not exceed this figure for the balance of year.

EMERGENCY SERVICE ORDERS

From October 1, 1951, to September 3, 1952, we issued 48 emergency service orders, including vacating orders, and 80 amendments. In addition, 39,931 general and special permits were issued. These orders, together with those previously issued and continued in force, required heavier loading of canned goods, lumber and products

thereof, and grain and grain products. The control of shipments of lake-cargo coal, the control of tank cars, and the use of refrigerator cars were continued by agents acting on instructions from the Director of the Bureau.

Other orders prohibited the use of refrigerator cars for certain commodities, permitted the use of certain types of refrigerator cars for certain other commodities; imposed restrictions on the use of trap and ferry cars; limited reconsignment of lumber; and prescribed the minimum weights to be observed on shipments unloaded at stop-off points and forwarded in other cars to destination. Certain orders controlled the routing of traffic, while others authorized rerouting in cases of work stoppages, congestion, storms, and damage to bridges, tunnels, or tracks, by earthquakes, floods, fires, etc.

A number of orders concerned demurrage, including those issued during the work stoppages in the steel mills. Increased demurrage charges were required for freight cars, and Saturdays were included in the period of computation. Free time for loading and unloading at ports was restricted. Service orders were relaxed from time to time as the need lessened, and as the car supply increased.

Other orders imposed certain regulations for freight-car movement. The prompt unloading and release of detained cars for return to service was accomplished by the efforts of our service agents with the cooperation of the carriers.

SECTION OF EXPLOSIVES

The number of employees assigned to investigations of compliance with regulations for the transportation of explosives and other dangerous articles is inadequate. However, the few additional employees secured through the working-fund arrangement has enabled the section to furnish shipping or technical advice in more detail and with greater satisfaction to the public.

The field force submitted a total of 2,308 reports of investigations, which reflected at least 13,281 violations. Compliance was reported in 687 instances, while 373 instances were submitted for handling through the Washington office. Prosecution was recommended in connection with 13 of the reports. Some of the cases have reached the courts and fines assessed.

The violations reported consisted of 3,504 failures to apply or remove placards from cars; 3,258 failures to apply or remove warning labels on packages; 2,995 billing irregularities, such as improperly describing the dangerous articles, failures to apply placard or label notations, or to certify billing as to compliance with regulations; 1,605 irregularities in connection with issuance of notices to train and

engine crews; 606 instances of improper use of containers; 506 dealing with improper placement of cars in trains; 300 dealing with improper certification of cars for loading explosives; 192 were miscellaneous infractions; 150 dealt with improper marking of packages; 75 concerned unloading of cars; 50 involved retesting of containers; 29 concerned loading of cars; and 11 improper switching of cars.

A total of 281 special permits were issued to allow certain deviations from regulations because of the emergency, or to gain experience with certain containers or methods.

New developments and constantly changing conditions account for many of the 661 amendments made to the regulations during the fiscal year. There were 51 new dangerous commodities, 5 new specifications, and 206 additional provisions adopted, with 372 changes and 27 cancellations needed to keep the regulations on a current and usable basis.

A summary of losses chargeable to the transportation of explosives and other dangerous articles reported in rail freight and rail express during the year 1951 is as follows:

Class	Num- ber of in- stances	Fires	Explo- sions	Per- sons killed	Per- sons injured	Prop- erty loss
Explosives.....	32	0	7	0	1	\$132, 799
Acids and corrosive liquids.....	122	5	0	0	10	47, 007
Flammable liquids.....	153	10	0	1	4	79, 245
Flammable solids and oxidizing materials.....	40	27	0	0	0	173, 173
Compressed gases.....	37	3	0	0	3	19, 018
Poisonous liquids and solids.....	12	0	0	0	4	8, 120
Total.....	396	45	7	1	22	\$459, 362

BUREAU OF TRAFFIC

Data covering particular activities of the Bureau are shown below.

TARIFFS

There were received for filing 125,238 publications containing changes in freight, express, pipeline, or freight-forwarder rates, in passenger fares, or in contract carrier minimum-rate schedules. The detailed figures follow:

Freight:

Rail, highway or water, common carrier.....	99, 359
Highway or water, contract carrier.....	2, 517
Passenger.....	16, 952
Express.....	2, 057
Pipeline.....	335
Freight forwarder.....	4, 018

In addition to the above publications, there were filed 11,318 contracts between freight forwarders and motor common carriers pursuant to section 409 of the act, as amended, which became fully effective September 20, 1951.

Of these tariff publications and contracts, 1,187 were rejected for failure to give notice required by the statute or for nonconformity with regulations. Tariffs and minimum-rate schedules were criticized in 932 instances. Powers of attorney and certificates of concurrence filed aggregated 11,365. Applications received requesting permission to change rates, or other tariff provisions on less than statutory notice or without full compliance with our publishing rules, numbered 9,522. Orders entered granting, denying, amending, or revoking such permissions numbered 9,839. There were received and filed 121 copies of traffic contracts between rail carriers, and 2,813 between motor contract carriers and shippers covering the charges of such carriers. The issuance of operating certificates and permits to motor carriers and the transfer of such operating rights are conditioned upon compliance with our tariff rules. Compliance with the tariff rules was checked in connection with the issuance of 2,484 new or amended permanent certificates and permits and in connection with 2,084 transfers. Similar checks were made in connection with the granting of 2,153 applications for temporary operating authority. For use in transportation studies, 297,436 rail freight waybills were analyzed and checked to determine the class rates and distances involved. Our duplicate tariff files have been maintained for the use of the public.

SUSPENSIONS

Newly filed tariffs or minimum-rate schedules proposing changes in rail, motor, water, or freight-forwarder rates or rules were protested and suspensions asked in 2,069 instances—an increase of 750 over the previous year. Of these protested changes, 237 represented rate increases, 1,405 represented decreases, 409 represented both increases and reductions, and 18 were not direct rate changes.

The following action was taken on the requests for suspension:

Suspended (including supplemental orders)-----	675
Refused to suspend-----	939
Protested tariffs or schedules rejected or withdrawn, or requests for suspension withdrawn-----	455
Total-----	2,069

Of the resulting suspension proceedings, 415 were disposed of informally.

There were 3,708 tariffs involved in the foregoing requests for suspension, of which 1,398 proposed rate increases, 2,065 reductions, 216

both increases and reductions, and 29 represented no direct change in rates.

Requests for suspension totaled 6,303, and for nonsuspension (other than by carriers proposing the change) 145. Ten suspension requests were filed by agencies of the Federal Government and 13 by State agencies.

Rail carriers protested 15 rail adjustments, 16 water adjustments, and 771 motor adjustments. Motor carriers protested 794 motor adjustments, 45 rail adjustments, 7 freight-forwarder adjustments and 4 water adjustments. Water carriers protested 26 rail adjustments and 9 motor adjustments. Freight forwarders protested three motor adjustments and five freight-forwarder adjustments. Nearly all of these protests were against proposed rate reductions.

THE FOURTH SECTION

The number of applications filed for relief from the provisions of section 4 was 984. The number of orders entered in response to applications was 907, of which 18 were denial orders, 761 were orders granting continuing relief, and 128 were orders granting temporary relief. Twenty-four formal reports were issued.

The number of petitions filed for modification of outstanding orders was 333, of which 261 were granted in whole or in part, 28 denied, 5 withdrawn, and 39 pending.

Applications withdrawn, wholly or in part, after correspondence with carriers, numbered 34, and 52 applications or portions thereof were heard.

The number of applications filed under authority of the 1940 amendment of section 4 (1), which permits the carriers to file tariffs naming the rates involved at the same time that application is made to the Commission for permission to establish and maintain the departures, was 749, or 76 percent, of the total number of applications filed.

RELEASED RATES

There were filed 37 applications for authority under sections 20 (11), 219, and 413 of the act to establish rates dependent upon declared or agreed values, and 16 such applications were pending at the beginning of the year. Of this total of 53 applications, 15 were granted, 4 denied, 7 withdrawn, and 29 are pending. During the year, five orders previously entered were rescinded.

BUREAU OF TRANSPORT ECONOMICS AND STATISTICS

Additional declines in the staff of this Bureau during the past year have resulted in further decreasing our ability to ascertain

promptly the essential facts regarding the financial, operating, and other results of the carriers subject to our jurisdiction, and have interfered with the prompt analysis and interpretation of these and other data which are important to our reports and decisions.

Although the Interstate Commerce Act was amended in 1949 authorizing the Commission to require special reports from organizations and associations under sections 20, 220, 313, and 412, we stated last year that it had not been possible to develop either the necessary reporting requirements under the statute or appropriate rules for the determination of which associations and organizations should be required to report and which should be exempted from such reporting. We are now able to state that during this past year considerable progress has been made on both phases of the work mentioned. It is hoped that it will be possible to complete all the appropriate rules and regulations covering both phases within the fiscal year 1952-53.

Last year we issued a notice to class I motor carriers proposing the inclusion in the annual report forms of a schedule requiring such carriers to file an annual report of truckload (10,000 pounds or more) tonnage originated, terminated, and interchanged, and the revenue resulting therefrom by commodity classes and groups. Such proposed classes and groups were substantially identical with those prescribed in the reports for railroad, water, and electric railway carriers. Protests were received from a number of the motor carriers, and no action was taken at that time. On July 31 of this year we issued a new notice to class I motor carriers containing the same proposal, to become effective for the calendar year 1953, with the qualification that such individual carrier reports would not be open to public inspection because of prohibitions of section 222 (e) with regard to disclosures of the business of shippers. The carriers were allowed 60 days for protest, and subsequently the period for protest was extended to October 31.

In part as a result of the introduction by rail carriers in Ex Parte No. 175 of calculations of the sources and application of funds, a special report from class I railroads for the year 1951 on this matter was approved by us. The intent of this report is to develop information to determine whether or not a schedule of this sort should be included in our annual reporting requirements from these railroads.

For several years we have required annual reports from class II and III motor carriers, of which over 16,000 are property and 1,600 passenger carriers. Because of an inadequate force it has been impossible to review these reports or to prepare annual statistical tabulations for these carriers. However, from time to time some work has been done on the reports with a view to developing needed data from a large sample of these reports. If and when this limited study

for 1950 and 1951 is completed, it will be the only available recent information on these carriers, and such operating, financial, and other data should prove of some value in our proceedings. At best, however, it is only a substitute for the more accurate information which should be compiled.

We should have available in proceedings before us our own official statistics of the financial and operating results of these class II and III motor carriers as we do in the case of all other classes and types of carriers which are subject to our jurisdiction and which are required to file annual reports with us. Estimates of these results derived from a sample of such motor carriers can in no sense be regarded as a substitute for our official statistics of such carriers. In consequence, we regard it as extremely important that we should have the staff necessary to compile annually and make available to us as early as possible complete and accurate official statistics for these motor carriers.

Apart from our need for official statistical compilations to render class II and class III motor-carrier information fully useful to us in connection with rate and other matters, the individual company reports have served a useful purpose. Frequent and extensive use has been made of them by scores of representatives of carriers, associations, insurance companies, and tariff bureaus, as well as numerous attorneys representing particular clients. In September, for example, telephone or personal calls for these individual reports or for information from them averaged about three per working day.

During the fiscal year several studies of various phases of transportation have been completed as a part of the general research work. A list of such analyses follows:

Statement

No.:

Title

- | | |
|---------|---|
| 5156--- | Indexes of Average Freight Rates on Railroad Carload Traffic, 1947-50. |
| 524---- | Selected Special Freight Statistics. Traffic, Operating, and Other Statistics for Railroads, Motor Carriers, and Other Transportation Agencies. |
| 525---- | Free Transportation Issued and Requested by Class I Steam Railways and The Pullman Company for Use in the Year Ending December 31, 1951 (Data for First Quarter of 1951). |
| 5212--- | Fluctuations in Railway Freight Traffic Compared With Production, Class I Steam Railways, 1946-49. |
| 5215--- | Rail-Highway Grade-Crossing Accidents for the Year Ended December 31, 1951. |
| 5224--- | Free Transportation Issued and Requested by Class I Steam Railways and The Pullman Company for Use in the Year Ending December 31, 1951 (Summary of Data for Year 1951). |
| 5227--- | The Capacity and Capital Requirements of the Railroad Industry. |
| 5237--- | Indexes of Average Comparative Intrastate Freight Rates, Railroad Carload Traffic—1950. |

Improvement in the quality of the waybill sample to which we referred in our last annual report has continued. Road-by-road comparisons of waybill-terminated traffic with the reported terminations shown by the freight-commodity statistics are maintained by our waybill section and are regularly furnished to the carriers. These figures have indicated serious discrepancies in the waybill reporting of several roads. By supplying the carriers with frequent comparisons showing the satisfactory or unsatisfactory reporting of each class I road, we have endeavored to improve further these waybill reports. However, such comparisons have also disclosed the fact that a number of roads are quite consistently failing to file, as required, copies of all waybills numbered "1" or with digits ending in "01" in the waybill sample. In consequence, a field survey is being made through the Bureau of Accounts and Cost Finding in order to determine the extent to which the underreporting of certain carriers is attributable to the type of procedures used or to other reasons.

During the year, we have established in our waybill section a rates and mileage unit for the purpose of determining short-line mileages and first-class rates by mechanical means. Heretofore this work has been done manually in our Bureau of Traffic. It is anticipated that this new method will ultimately result in substantial savings in staff, although 2 or 3 years will probably elapse before the full savings can be realized.

As noted in our report for last year, certain of our annual waybill statistics for 1950 had not been issued at the close of the fiscal year ended October 31, 1951. We have since released the remainder, as well as several tabulations of our annual waybill statistics for the year 1951. A list of our four regular annual tabulations of waybill statistics was included in our last annual report.

Because of numerous requests for certain special tabulations covering the year 1949, we have repeated wholly or in part certain of our special tabulations of waybill data which we issued in the year 1950. The first of these, "Mileage Distribution of Carloads for Each Commodity Class, by Type of Car, 1950," combines for the later year parts of the same type of information shown in two of the 1949 special tabulations, "Distribution of Average Revenue Per Hundred-weight and of Proportion of Carload by Commodity Class and Length of Haul—Mileage Blocks, 1949," and "Distribution of Number of Carloads by Commodity Class and Type of Car, 1949." The other study, "Weight Distribution of Carloads for Each Commodity Class by Type of Car," is the same for 1950 as the statement, "Distribution of Number of Carloads by Weight Brackets for Each Commodity Class by Type of Car," published for 1949, except for the revision in the title.

Special Bureau analyses of waybills made either from our published waybill statistics or from waybills filed by the carriers, or both, have been listed above under special studies issued.

BUREAU OF VALUATION

During the year this Bureau has been engaged principally in two major activities. The first of these consisted of checking and processing basic underlying data submitted by pipeline carriers in response to our valuation orders preparatory to the development of tentative valuation reports, preparing tentative and final valuation reports and orders for our approval, and the collection and correlation of data upon changes in costs, inventories, and depreciation of these carriers. The need for current valuation reports became more apparent during the year and, in response to our authorization, the Bureau began the preparation of annual tentative and final reports for our approval on all pipeline companies reporting to us. The second major activity has been the bringing to later dates inventories, costs, and other underlying data for railroads for which valuations have previously been made, auditing reports covering extensions, improvements, retirements, and other changes, and the collection of data reflecting changes in land values. All of this work is either required under section 19a of the Interstate Commerce Act or found necessary by us in the discharge of our regulatory functions under other sections of the act. In addition, valuable data in considerable amount were supplied to carriers, other Government agencies, States, counties, cities, and to the general public.

The Bureau furnished statements of original cost to five carriers for use in setting up new investment accounts after reorganizations, consolidations, and mergers of railroad companies, in accordance with our requirements. Past accrued depreciation percentages were furnished to three railroads. Initial depreciation rates were supplied to 27 carriers for use in complying with our depreciation orders. It also prepared for our approval and adoption detailed tentative valuation reports upon five pipeline carriers, and during this period we have approved eight final reports and orders. Annual tentative and final valuation reports for each of the years 1948, 1949, and 1950 were prepared for our approval and adoption on 5 pipeline companies, making 15 reports, and for the year 1951 on 2 companies.

Valuation data that required considerable work were furnished to the Bureau of Accounts and Cost Finding and the Bureau of Transport Economics and Statistics for use in accounting and depreciation and cost studies. These data consisted, in part, of the percentage relationship of cost of reproduction new of certain road accounts to the total of all road accounts, the original cost as of January 1, 1951, including

working capital and present value of land and rights of all class I steam roads and class I switching and terminal companies, as well as indices and weightings pertinent to depreciation studies.

Much data having to do with valuation were furnished various Government agencies, including, but not limited to, the Bureau of Internal Revenue, Department of Commerce, Department of Defense, General Services Administration, Department of Agriculture, Defense Transport Administration, Petroleum Administration for Defense, Department of Interior, Mutual Security Agency, and the Maritime Administration. These data consisted generally of information on depreciation, cost indices, deferred maintenance, and other related matters. In response to a request from the Secretary of the Department of Commerce, the Bureau, in September, undertook the preparation of an appraisal and report on the fair value of the property of the Inland Waterways Corporation. This is in accordance with the provisions of the Denison amendment, approved May 29, 1928, which imposed the condition that the facilities be appraised and the fair value thereof ascertained and reported to the President of the United States by the Interstate Commerce Commission before a sale of the property to private operations could be effected. For the Petroleum Administration for Defense, the Bureau is engaged in securing, semi-annually, operating statistics relating to location, capacity, and through-put of major pipeline systems both interstate and intrastate for use in connection with national-defense planning. A representative of the Bureau is a member of a task group of the Industry Evaluation Board, Department of Commerce, engaged in the development of criteria for the selecting and rating of key facilities or critical points on pipeline systems for security purposes.

Cost of reproduction and present value of land and rights of class I railways were furnished the revenue departments of numerous States for their use in connection with assessment for taxation purposes.

The railroad construction indices prepared annually by the Bureau were revised to include the year 1951. These indices show that the cost of railroad construction in 1951 exceeded by about 36 percent the previous high point after World War I. The over-all index factor reached 307 in 1951 in relation to 1910-14 prices, as compared with 226 in 1920, with road items at 298 in contrast to 214, and equipment at 333 as against 265.

Due to the limited appropriation for this Bureau, the work is, as we have stated at numerous times, "falling lamentably behind."

Certain phases of the work, more especially field auditing of carriers' reports under the various valuation orders, and the collection of data reflecting land values, now have accumulated large backlogs, and it is becoming increasingly difficult for the Bureau to prepare reliable data for our use. This we pointed out in our sixty-fourth annual report and said:

The Commission should not be required to accept reports of carriers without check and a certain amount of policing. It is this guardianship of the accuracy of the public record that gives it probative and practical value.

and in our sixty-fifth annual report that:

The Bureau of Valuation, whose work depends to an exceptional degree on continuity of records and knowledge of what these records mean, has had practically no additions or replacements in professional positions in 20 years. Unless this situation is corrected in some way and soon, this Bureau will be unable to perform its duties in the not very distant future.

Without continued scrutiny by the Bureau's forces, it is safe to assume these records soon would lapse into a chaotic state and could no longer be relied upon as representing the physical property and its cost.

BUREAU OF WATER CARRIERS AND FREIGHT FORWARDERS

The functions of this Bureau include principally the processing of applications of water carriers and freight forwarders for operating authority, processing of applications filed under section 5a for approval of rate-bureau agreements, advice and assistance to the Commission on rate matters affecting water carriers and freight forwarders, and effecting compliance with the Interstate Commerce Act and our regulations thereunder by water carriers, freight forwarders, and rate bureaus.

During the year the Bureau prepared 68 proposed and final reports on water carrier, freight forwarder, and section 5a applications; revised or reviewed 23 reports in rate and water-carrier finance cases prepared in other bureaus, acted in a review and advisory capacity in 82 other rate proceedings; and handled 46 petitions for reconsideration or other relief in application proceedings. A total of 77 requests for temporary authority by water carriers was processed. The backlog in operating authority and section 5a application cases is increasing and will continue to increase until the Bureau's needs for additional

personnel can be met. The following is a cumulative summary of the Bureau's work in application and ex parte proceedings:

	Cumulative			Pending Nov. 1, 1951	Period			Pending Nov. 1, 1952
	Nov. 1, 1940, to Oct. 31, 1952				Nov. 1, 1951, to Oct. 31, 1952			
	Filed	Re- opened	Decided		Filed	Re- opened	Decided	
Grandfather clause	775	421	1, 194	4	21	23	2	
Extension and new operation	331	117	418	29	24	12	30	
Exemption	436	15	449	1	4	1	2	
Temporary authority	595	214	804	2	66	14	77	
Total water carrier	2, 137	767	2, 865	36	94	47	138	
Freight forwarder	275	179	439	15	14	23	37	
Agreements, sec. 5a	41	2	20	22	5	2	6	
Ex parte				1			1	
Total	2, 453	948	3, 324	74	113	72	181	

Since our last report there have been some changes in the Bureau's field organization. To afford Defense Transport Administration the advantage of an experienced staff in its work of assuring water transportation and port facilities adequate to the needs of national defense at a minimum of expense, an agreement of February 12, 1952, provides that the field staff of the Bureau, in addition to its regular duties, shall also perform field work for the Inland Water Transport Division and the Port Utilization Division. Under the agreement, Defense Transport Administration provides a working fund to augment the Bureau's staff to the extent necessary for the conduct of its programs. Pursuant to this arrangement three employees, designated as field representatives, have been added to the field staff and others will be added. At present the Bureau has field offices at San Francisco, Houston, New Orleans, Chicago, New York, and Washington, where a total staff of nine employees is maintained.

There are now outstanding 259 common-carrier certificates, 57 contract-carrier permits, and 96 freight-forwarder permits. For several months during the past year a maritime strike on the west coast caused a shortage of steamship space for the movement of property in the intercoastal trade, particularly for the shipment of lumber to North Atlantic ports. To a large extent the urgent need for lumber space was met by the issuance of temporary authorities under section 311 (a) of the act.

Speaking generally, and excluding petroleum, traffic and revenues of the operators on the inland waterways are somewhat better than in the previous year. The steel strike caused a temporary set-back, but recovery was rapid after the strike ended. Also there was a substantial reduction in the petroleum traffic on the Mississippi River system and to some extent in other areas due to pipeline con-

struction and the opening of new oil wells near consuming markets which the river carriers had theretofore supplied. It is estimated that the volume of this traffic on the Mississippi River system in the past year was about 25 percent less than in previous years.

There have been no marked changes from last year in the deep-sea coastwise and intercoastal operations, which remain on a substantially lower scale than in the pre-war years. Three general-cargo carriers operate 14 vessels in the Atlantic-Gulf coastwise service, and the number of vessels operated by common carriers in the intercoastal service continues at not more than 40 percent of the prewar number. However, some of these carriers have augmented their fleets for temporary periods through charters of vessels to meet special demands. The intercoastal operations have been largely marginal since the war, due in part to somewhat frequent interruptions, and a further set-back was experienced in the past summer from a strike of Pacific coast maritime personnel. Because of adverse conditions since the war, including the hostilities in Korea, the intercoastal carriers have not been able to operate for any reasonable length of time under what might be regarded as normal or favorable conditions. Regular Pacific coastwise general-cargo service is maintained by one line in conjunction with a service to Alaska, and two carriers have continued service in this coastal area in the transportation of lumber. The carriers authorized to engage in Pacific coastwise tug and barge service have not developed their operations to any great extent. The Great Lakes continue without the general-cargo type of package-freight service, such as was operated prior to the war, the vessels which were intended to be allotted for that purpose under Public Law 856 having been converted instead for the transportation of bulk freight, primarily ore.

In each of our annual reports beginning with that for 1947, we recommended that part III of the act be amended by adding provisions for revocation of water-carrier operating authorities. The need for such authority was discussed at pages 50-51 of our annual report for 1947, and at pages 53-54 of the report for 1949. That need still exists, and we are again recommending that part III be amended by adding after section 312 a new section 312a containing provisions for revocation of water-carrier certificates and permits.

In our annual report for 1951 and in prior reports, attention has been called to the need for amendments of part IV of the act to (1) make the exemption of shippers' associations and agents in section 402 (c) conditional, with authority in this Commission to revoke the exemption where it is found that any individual or group is not a bona fide shippers' agent or association; (2) give the Commission power to regulate consolidations, mergers, and acquisitions of control of freight

forwarders; (3) terminate the exemption of forwarders of used household goods contained in section 402 (b) (2) for which there continues to be a pressing need; and (4) relax the provisions of section 411 (c) by authorizing the Commission to permit departures therefrom upon a showing that neither public nor private interests will be adversely affected thereby. The reasons for these recommendations have been stated in the prior reports. It seems desirable, however, to comment briefly here on two of the recommendations.

By reason of the exemptions in section 402 (c), there is a continuing expansion of operations by self-styled shippers' associations and agents. Many of these, as previously pointed out, are clearly bona fide. Others are of doubtful status, and are conducting operations and providing service that are not distinguishable in essential respects from those of authorized freight forwarders. In view of court interpretations of section 402 (c), however, we have been able to make little if any progress in dealing with those in the latter category. Unless we are given broader authority than we now have to deal with various types of operations that are being carried on under the exemption, a segment of essentially for-hire forwarding will continue its growth to the detriment of the public interest, and particularly to shippers in large as well as small communities which must depend for service upon the regulated forwarders.

Particular mention may also be made of the need for control by this Commission of consolidations, mergers, and acquisitions of control of freight forwarders. The present lack of such authority permits complete freedom of common control of competing forwarders through acquisitions of their stocks. There has come to our attention a situation in which a single common control exists over eight freight forwarders through a holding company. Two of the forwarders each has authority to operate between all points in the United States, one has authority between all such points except those in the Southeastern States, and the five others have less extensive authority, but are competitive with three or more of the forwarders in the group.

We have declined to grant applications for extensions of freight-forwarder operating rights, as not consistent with the public interest, where the extension would duplicate the rights of another forwarder under common control with the applicant. But under the present statute such duplications may be and are accomplished, as illustrated above, through stock acquisitions.

MANAGEMENT IMPROVEMENT WITHIN THE COMMISSION

During the past year, the Commission has continued to improve its management by (1) seeking and installing improved methods of doing work and organizing itself, (2) the elimination of operations considered

unessential, (3) setting priorities on work to be done in the light of budgetary restrictions and in accordance with accumulating workloads and shifting workload emphases, (4) making adjustments in functional assignments, and (5) scrutinizing with great care the proposed expenditure of funds in the sense that each request for expenditure was an opportunity to decide whether an improvement in management, organization, procedure, methods, etc., would solve the problem without the expenditure of funds from inadequate appropriations.

The Commission has always been keenly aware of its responsibility to the public for efficiently carrying out its substantive operations, and for spending public funds in the most economical manner. Many improvements have been accomplished and incorporated in the operations and organizational structure of the Commission. A comparison of the staffing in previous years with current staffing, considering also the increase in its workload by legislation, is proof that the Commission has been making continued efforts in the direction of management improvement and the proper utilization and conservation of manpower. It recognizes that these matters must receive continual consideration.

Typical examples of management improvement undertakings during the past year are briefly described below:

1. With the cooperation of the Federal Register Division of the National Archives and Records Service, the Commission has utilized the plates used in printing its rules and regulations of general applicability and legal effect in the Federal Register, to print copies of such regulations required by the Commission for service upon interested parties and for the official use of the Commission otherwise.

2. The personnel office has formulated programs concerning (a) new procedures regarding requests for personnel actions, (b) agency promotion policies, (c) employee grievance procedures, (d) employee detail policies, (e) procedures for requesting classification action and submission of position descriptions, and (f) programs of position classification and wage administration.

3. The work output in the Section of Stenography has increased considerably due to increased use of dictaphone, wire recording, and other duplicating machines in a number of the sections and bureaus of the Commission.

4. A survey of space assignments and utilization has enabled us to release approximately 10,000 feet of space for use by other agencies.

5. General revisions and amendments of the prescribed uniform accounting rules and related regulations, and other necessary and desirable projects in connection with the Commission's depreciation and cost-finding work, have been concentrated on the most essential changes and modifications.

6. Better techniques are being developed in the selection and assignment of work projects to ease the manpower shortage and as a potential permanent improvement in procedures.

7. Procedures are being devised to complete work functions at the source—in the field offices—as far as possible.

8. Carriers filing applications for authority to abandon or construct lines of railroad, or to issue securities, are now required to serve directly the interested parties, thus relieving the Commission of this duty.

9. Continuous effort is being made with a view to handling formal complaints and other formal proceedings under the shortened or modified procedures in order to dispense with oral hearings in whole or in part, thus decreasing the travel and other expenses with resulting savings of time and money of all interested parties. Since January 1, 1948, modified procedure in formal proceedings has been directed and requests subsequently made for oral hearing therein as shown below:

Year	Number of modified procedure orders	Times oral hearing requested
1948.....	17	2
1949.....	37	3
1950.....	44	0
1951.....	49	0
1952 to Sept. 23, 1952.....	66	3
	213	8

10. The time of the examiners and other interested parties has been saved and expenses avoided by increased use of special rules of practice providing for prehearing conferences and exchange of the parties' prepared statements and exhibits. This procedure tends to clarify the issues, shorten the time required at hearings, and results in improved records generally.

11. The Commission has consolidated the Section of Law and Enforcement with the Bureau of Law, thus putting the law work of both bureaus under the Chief Counsel, resulting in a more effective utilization of personnel.

12. The various sections and bureaus of the Commission are maintaining training programs with a view to securing greater efficiency and maximum utilization of personnel.

13. Information is now requested in temporary authority proceedings from the carriers direct by form letter, thereby obviating the former practice of requesting the field offices to make investigations and reports.

14. The Commission has discontinued the practice of issuing corrected certificates and permits for minor reasons, such as renumbering of highways, correction of typographical errors, etc. The carrier is now advised by letter that when and if it becomes necessary to rewrite the certificate or permit, the corrections will be made therein.

15. The Commission now issues notices instead of orders, where appropriate, such as notices pertaining to indefinite extensions of temporary authority under section 9 (b) of the Administrative Procedure Act, pursuant to timely filed application for corresponding permanent authority, thus effecting saving of time, effort, and stationery in the preparation of service lists and minute entries.

16. During the past year the Commission began the handling of over 90 percent of its motor-carrier rate cases under the modified procedure which, under previous practice were assigned for hearing. Under the modified procedure the parties submit their evidence in writing with the opportunity to request that the proceeding be assigned for hearing for the purpose of cross-examining those who submit disputed verified statements of fact. Use of the modified procedure saves travel expense and per diem, and the time which the examiners would spend in conducting hearings.

17. The Commission has under consideration a plan to require notice of the filing of certain motor-carrier applications by publication in some periodical having a Nation-wide circulation among motor and rail carriers. If such notice by publication is required, it will relieve the Commission from the necessity of serving hearing notices on all parties, other than those filing protests.

18. Consideration is being given to a procedure whereby the interested parties would, instead of oral hearing, submit their evidence in writing in applications for operating authority, any party having the right to ask for a hearing to cross-examine witnesses who submit verified statements of fact. Such procedure would conserve the time of examiners and save travel and per diem expense.

19. The Commission has revised its surety bond forms to eliminate the necessity of execution by the principals, and thereby has obviated considerable correspondence and delays.

20. Through reorganization and redistribution of work, the number of branches in the Section of Safety was reduced from four to three, with the result that we have eliminated one supervisory position. The section also has put into effect various time-saving procedures which have resulted in greater utilization of personnel.

21. Staff meetings are held periodically in a number of the bureaus, and area meetings are held in various sections of the country, to discuss common problems, with the view of improving efficiency of operations and the utilization of manpower.

22. Field personnel of the various bureaus are being housed in common facilities in central field locations to the maximum extent possible, and common stenographic and clerical services are used.

23. The Section of Explosives does not have the resources to accomplish all that is required to secure the safe transportation of explosives and other dangerous articles throughout the United States. It has multiplied the effectiveness of its operations vastly in excess of the facilities available to it by developing a greater understanding and cooperating with industrial organizations, local and State governments, and international organizations. These cooperating agencies not only serve as salesmen in promoting safety in the transportation of these articles, but also participate actively in the development of studies and regulations, and lend their aid and influence in getting those affected to adopt the principles evolved.

24. The volume of annual pipeline valuation reports has been considerably reduced by careful analysis of data previously included, and the elimination of data not absolutely necessary.

25. We are working on an improved method of tabulating short-line rail distances which when implemented will enable the work to be performed with fewer employees.

SURVEY OF THE COMMISSION'S ORGANIZATIONAL STRUCTURE

On June 26, 1952, the Senate of the United States passed a resolution (S. Res. 332) authorizing the Committee on Interstate and Foreign Commerce, or a duly authorized subcommittee thereof, to make an investigation and study of the organization and operations of the Interstate Commerce Commission below the Commission level for the purpose of determining what changes should be made in order to promote maximum efficiency in such organization and operations. The Committee was directed to report its findings, together with its recommendations for legislation if deemed advisable, to the Senate not later than January 31, 1953. After analyzing bids for this work, the Committee awarded the contract for making this survey to the Wolf Management Engineering Co., of Chicago.

This company promptly undertook the task of making the survey. Its representatives met with the Commissioners on July 31, 1952, and received assurances of full and complete cooperation from the Commission and its staff.

It is to be hoped that this survey will result in constructive recommendations for further improvement in the efficiency of the Commission's operations.

EFFECT OF REDUCED APPROPRIATIONS

This topic will be discussed under two general headings: General Expenses and Railroad Safety and Locomotive Inspection.

GENERAL EXPENSES ¹

The appropriations for general expenses for each fiscal year beginning with 1940; the estimated cost of congressional salary increases from 1946 to 1953, both inclusive; and the amount available for other than estimated congressional salary increases and the overtime payments made during the fiscal years 1943 to 1946, inclusive, when the administrative workweek was in excess of 40 hours, are as follows:

Fiscal year	Total appropriation	Estimated cost of congressional salary increases	Overtime pay under Public, No. 821, 77th Cong., and Public, No. 49, 75th Cong.	Amount available for other than estimated congressional salary increases and overtime pay
1940.....	\$7,867,000			\$7,867,000
1941.....	7,968,550			7,968,550
1942.....	8,104,940			8,104,940
1943.....	8,152,142		\$511,317	7,640,825
1944.....	7,605,000		935,363	6,669,637
1945.....	7,499,700		890,409	6,609,291
1946.....	7,410,338	\$748,396	98,940	6,563,002
1947.....	9,043,100	1,588,974		7,454,126
1948.....	9,200,000	1,577,459		7,622,541
1949.....	9,710,317	2,185,360		7,524,957
1950.....	9,761,700	2,324,025		7,437,675
1951.....	9,718,600	2,315,841		7,402,759
1952.....	9,479,935	2,786,107		6,693,828
1953.....	9,319,500	2,738,858		6,580,642

The estimated cost of pay increases authorized by public laws ² since 1946 will absorb \$2,738,858 of the appropriation of \$9,319,500 for general expenses for 1953. The appropriation for general expenses in 1946 was \$7,410,338. The average employment in 1946 was 1,839.3. The average employment estimated for 1953 is 1,634.0.

The average employment maintained out of the appropriation for general expenses for each fiscal year since 1940 is as follows:

Year 1940.....	2,439.9	Year 1947.....	2,025.7
Year 1941.....	2,521.4	Year 1948.....	2,011.1
Year 1942.....	2,447.6	Year 1949.....	1,978.8
Year 1943.....	2,149.6	Year 1950.....	1,920.0
Year 1944.....	1,865.3	Year 1951.....	1,833.7
Year 1945.....	1,747.6	Year 1952.....	1,662.0
Year 1946.....	1,839.3	Year 1953.....	¹ 1,634.0

¹ Estimated.

The progressive reductions in personnel have resulted in the adoption of short-cut procedures. They are, however, causing (1) serious delays in production of work; (2) casual and superficial consideration

¹ Includes former appropriations general administrative expenses, regulating accounts, valuation of property of carriers, and motor transport regulations, consolidated effective July 1, 1946, and printing and binding, consolidated effective July 1, 1949.

² Public, No. 106, 79th Cong. (1946); Public, No. 390, 79th Cong. (1947); Public, No. 900, 80th Cong. (1949); Public, No. 359, 81st Cong. (1950); Public, No. 429, 81st Cong. (1950); Public, No. 201, 82d Cong. (1952).

of many important matters, which results in a growing number of complaints that formal proceeding records, tariff publications, carriers' records, transportation problems, and many other matters are not adequately analyzed or reviewed; and (3) inability to recruit new employees to be trained in order to fill positions to be vacated by experienced employees.

Although the Congress has repeatedly expanded the functions of the Commission, it has steadily reduced the Commission's staff through inadequate appropriations. The net result has been an impairment of efficient administration, a growing inability to perform the functions and duties required by the Interstate Commerce Act and related acts, and a weakening of the Commission's ability to carry out the regulatory and judicial authority delegated to it by the Congress.

The steadily increasing functions and duties of the Commission result primarily from two directions: first, the Congress continues to increase the Commission's jurisdiction over transportation and related agencies; and second, as industry, population, and commerce of the Nation expand, the transportation agencies and facilities must also grow and keep pace.

It would be impossible for this country to grow and prosper, or to succeed industrially or defensively, without an adequate and efficient over-all transportation system. Almost everything that the public purchases or uses must be carried sooner or later by one or more of the agencies under the Commission's jurisdiction. Of necessity they must be regulated to ascertain that their charges are just and reasonable and that the rules and practices under which they operate are followed. Also, by the national transportation policy of 1940, it is necessary for the Commission to preserve the inherent advantages of each type of carrier by regulation.

Notwithstanding an increase of more than 54 percent in the number of formal proceedings involving rates, fares, charges, and operating authorities disposed of in the fiscal year 1952, as compared with 1946, the number of such proceedings on hand at the end of 1952 represents an increase of more than 22 percent over those pending at the end of 1946.

The conditions which have been, and still are, confronting the Commission were summarized in our annual report for last year, wherein, on pages 131-133, we submitted the following:

What are the effects of these radical and progressive reductions in personnel on the work of the Commission? First of all, there has been an increased pressure for greater efficiency, to offset, by savings, as much as practicable of the losses arising from decreased personnel. There have been extensive savings of this character, but estimates of their size are difficult for the reason that all efforts in this direction are and have been, in turn, disrupted or canceled out by succeeding reductions in personnel.

A second effect has been increasingly serious delays in the production of work. This poses two alternatives, both of which it has been necessary to adopt. A particular phase or phases of the work may be deferred indefinitely, perhaps entirely dispensed with, or such activity or activities may be continued as before but with decreased efficiency or effectiveness, or both.

A third effect of the decreasing personnel is a growing casual and superficial consideration of many important matters. Lack of staff to perform properly a given segment of work engenders the view that neither thorough nor careful consideration or performance are important and this, in turn, tends to impair the morale of the remaining available staff. There is growing complaint that the records in important formal proceedings are not adequately analyzed and that the Commissioners do not possess the facilities for speedy review and investigation which many take for granted in connection with their office work. As a matter of fact, Commissioners at times have been compelled to conduct all the work of their offices with quite inadequate staff. In consequence, it often becomes necessary to call on examiners and analysts who have initially prepared reports and discussions in effect to review their own work. This is not at all the independent review which the Commission's organization presupposes will be made in each Commissioner's office or in each board or other subdivision handling matters requiring review. It is, however, inevitable under the existing personnel situation.

Still another effect is the inability of the Commission to comply with all the provisions of the statutes for the collection, review, compilation and analysis of the reports from the carriers. This incapacity, arising from inadequate personnel, reflects itself first in a failure to attempt the procurement of all data which should be required; second, in the inadequate checking and particularly policing of the reports and reporting; and third, in unfortunate and damaging delays in producing data essential to the Commission's regulatory operations.

The cumulative effect of the reductions in appropriations for general expenses is that for the fiscal year 1951-52 about 60 percent of the staff necessary for the efficient and effective performance of the Commission's duties is available. Rates, fares, and charges authorized in formal proceedings set either a ceiling or a floor or else establish the just and reasonable relationships of charges on commodity shipments or passenger travel, producing carrier revenues of many billions of dollars annually. In this vast country more than 1,000 billion ton-miles of freight are handled annually by thousands of carriers, public and private. These include some 750 railroad companies, about 21,000 motor carriers, 77 pipelines, and 278 water carriers subject to regulation, and also numerous private car lines, freight forwarders, and the Railway Express and Pullman companies.

The deregulation of transportation in interstate commerce may be accomplished either directly, by the repeal in whole or in part of various statutory powers which the Congress has vested in the Commission, or indirectly, through reducing appropriations to a point where the Commission is unable to meet the statutory obligations imposed upon it. Regardless of whether this deregulation is brought about through the former or through the latter course of action, the consequences are in the last analysis the same. Deregulation is still deregulation.

Although the Congress has since 1940 repeatedly expanded the Commission's regulatory functions, deregulation is increasing through the gradual but steady reduction of the appropriations for the Commission each year. The resulting slow but steady attrition of the staff, aggregating in too many instances actual decimation, which more recently has increased with alarming speed, is reflected in deterioration of morale and increasing difficulty of recruitment. The net result to date is an impairment of efficient administration, a growing inability to perform the functions and duties required by the statute, and a weakening of the Com-

mission's regulatory authority which has already assumed serious proportions. All this leaves the general public more and more helpless and defenseless.

This is illustrated by the situation in the Bureau of Formal Cases where the progressive reduction in the examining force is serious. That Bureau is organized to hear formal complaints, conduct formal investigations instituted on the Commission's own motion and to supply skilled advisers to the Commissioners. The importance of that work is probably greater now than ever before, but the number of trained and experienced examiners is steadily declining. At the present time 40 percent of the examiners are 60 years of age or older and many will retire in the next few years. In recruiting new men to fill in the gap, low salaries and slowness in promotion due principally to inadequate funds cause resignations from the service after these men are partially trained.

RAILROAD SAFETY AND LOCOMOTIVE INSPECTION

The primary purpose of the laws administered through our Bureau of Locomotive Inspection and Bureau of Safety is to promote the safety of employees and travelers on railroads. Notwithstanding the fact that the workload of these two bureaus has been materially increased because of recent developments in railroad equipment, notably Diesel-electric locomotives, streamlined and other new designs of railroad cars, and numerous installations and extensive modifications of railroad signaling, this safety work has been curtailed because of increased travel costs and other administrative expenses and restrictions upon the use of funds appropriated for these purposes. The safety appropriation for the fiscal year 1952 was \$1,037,000.¹ The 1953 safety appropriation is \$974,500.

To conform to these limitations, 12 existing and prospective vacancies in our Bureau of Safety staff cannot be filled during the current fiscal year, a reduction to 122 from our authorized force of 134. In the Bureau of Locomotive Inspection the appropriation for the fiscal year 1952 was \$706,600. The 1953 appropriation is \$709,500. Ten existing vacancies in our Bureau of Locomotive Inspection cannot be filled during the current fiscal year, a reduction to 102 from the statutory and authorized force of 112. Safety work such as that carried on by these bureaus cannot be deferred; if curtailed, some of the intended benefits are lost for the time being. If inspections and investigations cannot be made currently, unlawful or unsafe conditions may continue without detection or correction, and the protection to railroad passengers and employees which is intended to be provided by these laws is not obtained. There can be no backlog in safety work of this nature.

A grave problem faces the Bureaus of Locomotive Inspection and Safety in the recruitment of skilled inspectors. Because of the increases in the salaries of those men now employed by the railroads who have the desired experience, the current salary of our inspectors is not sufficient to attract them to our service.

¹ Includes \$54,000 supplemental appropriation to cover most of the salary increases under Public Law 201,

LEGISLATIVE RECOMMENDATIONS

I. PROPOSED AMENDMENTS TO THE INTERSTATE COMMERCE ACT, AS AMENDED

1. We recommend that section 1 (15) be amended so as to authorize the Commission thereunder to determine the compensation to be paid and other terms of any contract, agreement, or arrangement for the use of any locomotive, car, or other vehicle not owned by the carrier using it (and whether or not owned by another carrier)."

2. We recommend that section 15 (13) be amended so as to prohibit the payment of allowances to shippers for performance of their spotting service at industrial plants except by and with our approval in each individual instance.

3. We recommend that section 20 (6) be amended to make it applicable to persons who furnish locomotives to carriers subject to part I of the act.

4. We recommend that section 20a (2), requiring authorization by the Commission of the issuance of securities by certain common carriers and other corporations, be amended by including any contract for the purchase or lease of equipment not to be fully performed within 1 year from the date of the contract.

5. We recommend that section 20a (12) be amended to permit more extensive use of competitive bidding in the marketing of securities.

6. We recommend that section 20b be amended so as to permit controlled or controlling stockholders of a railroad corporation which is undergoing voluntary modification or alteration under that section to register their assent to such modification or alteration, subject to the power of the Commission to increase the prescribed percentage of assents required in such classes for approval of a proposed plan as it may deem just and reasonable in the light of circumstances presented in the particular case. We also recommend certain minor amendments to paragraphs (2) and (3) of section 20b described in the section of this report entitled "Voluntary Reorganizations," page 40.

7. We recommend that section 22 be amended so as to enable the United States and the carriers to bargain as to rates on a firm and dependable basis.

8. We recommend that section 25 be amended by making it also applicable to telegraph, telephone, radio, inductive, or other wayside or train communication systems intended to promote safety of railroad operation.

9. We recommend that part III of the act be amended by adding after section 312 a new section (312a) containing provisions for revocation of water-carrier certificates or permits.

10. We recommend that section 402 (b) (2) be amended to terminate the exemption of freight forwarders of used household goods.

11. We recommend that section 402 (c) be amended to make the exemption of shippers' associations and shippers' agents revocable by this Commission where it is found that the operation under consideration is not that of a bona fide association or agent as defined in that section.

12. We recommend that section 410 be amended to require the obtaining of a certificate of public convenience and necessity as a prerequisite to engaging in service as a freight forwarder.

13. We recommend that section 411 be amended to provide for the regulation of consolidations, mergers, and acquisitions of control of freight forwarders.

14. We recommend amendments adding new provisions which would make common carriers by motor vehicle and by water and freight forwarders liable for the payment of damages in reparation awards to persons injured by them through violations of the act.

15. We recommend that the Commission be given emergency powers with respect to service by motor carriers and water carriers such as it now has with respect to car service by rail carriers.

II. OTHER RECOMMENDATIONS

16. We recommend that the Congress amend the Standard Time Act so as fully to occupy the legislative field respecting standards of time to be observed throughout the Nation.

17. We recommend that the Administrative Procedure Act be amended for the purpose of validating certain motor-carrier application proceedings before the Commission possibly without compliance with the hearing-examiner provisions of sections 5, 7, 8, and 11 of that act, as provided in H. R. 5045 (82d Cong., 2d sess.), which was passed by the House of Representatives on March 31, 1952.

18. We recommend that the Transportation of Explosives Act (62 Stat. L. 738-739) be amended to include specifically radioactive materials and to make contract carriers and private carriers engaged in interstate or foreign commerce subject to its provisions.

J. HADEN ALLDREDGE, *Chairman.*

WILLIAM E. LEE.

CHARLES D. MAHAFFIE.

WALTER M. W. SPLAWN.

WILLIAM J. PATTERSON.

J. MONROE JOHNSON.

RICHARD F. MITCHELL.

HUGH W. CROSS.

JAMES K. KNUDSON.

KELSO ELLIOTT.

ANTHONY F. ARPAIA.

APPENDIX A

SUMMARY OF DISPOSITION, DURING THE YEAR, NOVEMBER 1, 1951, TO OCTOBER 31, 1952, OF INDICTMENTS RETURNED AND INFORMATIONS AND COMPLAINTS FILED IN THE UNITED STATES DISTRICT COURTS, CHARGING VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PARTS I, III, AND IV, THE ELKINS ACT, AND THE TRANSPORTATION OF EXPLOSIVES ACT

United States v. Allis-Chalmers Mfg. Co., eastern district of Wisconsin, information in 20 counts charging defendant with unlawfully and knowingly soliciting, accepting and receiving concessions on demurrage charges. June 20, 1952, trial by jury resulted in verdict of not guilty.

United States v. Ann Arbor R. Co., northern district of Ohio, western division, complaint in five counts alleging violations of Service Order No. 866. September 25, 1952, judgment in the sum of \$500, and costs.

United States v. Atchison, T. & S. F. Ry. Co., district of Arizona, information in three counts charging violations of the Commission's Explosives Regulations. July 14, 1952, plea of guilty to all counts and fine of \$50. per count imposed.

United States v. Atlantic C. L. R. Co., southern district of Florida, complaint in 10 counts alleging violations of Service Order No. 866. August 22, 1952, consent judgment entered in amount of \$1,000, on all counts.

United States v. Baltimore & O. R. Co., northern district of Ohio, western division, complaint in 10 counts alleging violations of Service Order No. 866. September 30, 1952, judgment in the sum of \$1,350, and costs.

United States v. Chicago, B. & O. R. Co., eastern district of Missouri, complaint in 27 counts alleging violations of Service Order No. 869. January 3, 1952, consent judgment entered in favor of plaintiff on each of 27 counts for a total penalty of \$2,700.

United States v. Chicago, B. & O. R. Co., southern district of Illinois, northern division, information in three counts charging unlawful extension of line of railroad and operations by defendant without certificate of convenience and necessity. February 4, 1952, information dismissed.

United States v. Chicago, R. I. & P. R. Co., district of Kansas, complaint in 20 counts alleging violations of Service Order No. 866. October 22, 1952, judgment in the sum of \$2,000, and costs.

United States v. Fernwood, C. & G. R. Co., southern district of Mississippi, Hattiesburg division, complaint in two counts alleging violations of Service Order No. 876 (Revised). March 6, 1952, consent judgment entered in the amount of \$200.

United States v. Missouri Pac. R. Co., Guy A. Thompson, Trustee, western district of Louisiana, Alexandria division, information in one count charging violations of the Commission's Explosives Regulations. October 6, 1952, plea of guilty entered and defendant sentenced to pay fine of \$100.

United States v. New York Central R. Co., southern district of Indiana, Indianapolis division, complaint in 32 counts alleging violations of Service Order No. 866 (Revised). February 16, 1952, answer filed. June 26, 1952, answer withdrawn by permission of court upon admission of liability by defendant. Penalty in the amount of \$3,200 imposed.

United States v. New York, N. H. & H. R. Co., eastern district of Pennsylvania, indictment in 10 counts charging violations of the Elkins Act through accepting for transportation shipments on which weight was falsely represented as less than actual weight, thereby resulting in concessions granted to the shipper, Providence-Philadelphia Dispatch, Inc. September 16, 1952, plea of *nolo contendere* to five counts, and fine of \$5,000 imposed. Remaining counts dismissed.

United States v. Oregon, P. & E. Ry. Co., district of Oregon, complaint in five counts alleging violations of Service Order No. 859. October 21, 1952, judgment in the sum of \$500.

United States v. Pennsylvania R. Co., eastern district of Pennsylvania, indictment in one count charging violations of the Commission's Explosives Regulations. November 8, 1951, plea of *nolo contendere* by defendant and fine of \$375 imposed.

United States v. Pennsylvania R. Co., eastern district of Pennsylvania, indictment in 10 counts charging violations of the Elkins Act through accepting for transportation shipments on which weight was falsely represented as less than actual weight, thereby resulting in concessions granted to the shipper, Providence Philadelphia Dispatch, Inc. September 16, 1952, plea of *nolo contendere* to five counts, and fine of \$5,000 imposed. Remaining counts dismissed.

United States v. Pennsylvania R. Co., northern district of Ohio, western division, complaint in five counts alleging violations of Service Order No. 866. September 4, 1952, judgment in the sum of \$700.

United States v. Providence-Philadelphia Dispatch, Inc., and Thomas J. Sullivan, Jr., and Norman K. Rieff, eastern district of Pennsylvania, indictment in 20 counts charging violations of the Elkins Act through the obtaining of transportation at less than the rail carriers' published tariff rates through the device of understating the weights of carload shipments. September 16, 1952, plea of *nolo contendere* to five counts, and fine of \$5,000 imposed on the corporation. Remaining counts dismissed. Fines of \$1,000 each were imposed on Thomas J. Sullivan, Jr., president, and Norman K. Rieff, treasurer of the corporation, the court placing both of these individuals on probation for a period of 6 months.

United States v. Reading Co., eastern district of Pennsylvania, complaint in 20 counts alleging violations of Service Order No. 866. August 15, 1952, stipulation filed for entry of judgment by confession in the amount of \$3,000.

United States v. Southern Ry. Co., northern district of Alabama, southern division, complaint in 26 counts alleging violations of Service Order No. 866. March 27, 1952, confession of judgment entered in the amount of \$150 on each count for a total penalty of \$3,900.

United States v. Upper Columbia River Towing Co., district of Oregon, information in three counts charging unlawful operations without certificate of public convenience and necessity. February 20, 1951, trial held without jury. November 10, 1951, the court entered an order finding defendant not guilty.

United States v. Wabash R. Co., eastern district of Missouri, eastern division, complaint in 27 counts alleging violations of Service Order No. 866. November 9, 1951, judgment in favor of plaintiff and against defendant in the amount of \$100 per count for a total of \$2,700, plus costs.

United States v. Wabash R. Co., northern district of Ohio, western division, complaint in five counts alleging violations of Service Order No. 866. September 25, 1952, judgment in the sum of \$500, and costs.

SUMMARY OF INDICTMENTS, INFORMATIONS, AND COMPLAINTS PENDING IN UNITED STATES DISTRICT COURTS ON OCTOBER 31, 1952, CHARGING VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PARTS I, III, AND IV, THE ELKINS ACT, AND THE TRANSPORTA- TION OF EXPLOSIVES ACT.

United States v. A. B. C. Freight Forwarding Co., southern district of New York. June 29, 1950, information charging defendant with knowingly soliciting, accepting, and receiving concessions on free loading of cars; 10 counts.

United States v. Aberdeen and Rockfish R. Co., eastern district of North Carolina, information charging unlawful extension of credit and granting of concessions on demurrage charges. April 11, 1949, plea of *nolo contendere* to one count and fine of \$1,000 imposed. Defendant given 2-year suspended sentence on two other counts and placed on probation. Motion to correct sentence filed under rule 35 of Criminal Procedure.

United States v. Baltimore & O. R. Co., southern district of New York. June 29, 1950, information charging defendant with unlawfully granting and giving concessions through the device of furnishing free carloading service; 10 counts.

United States v. Baltimore & O. R. Co., district of Delaware, January 8, 1951, indictment charging offering, granting and giving of concessions to General Motors Corp., through sale of plant site for a sum of money less than the cost thereof to defendant; 15 counts.

United States v. Calumet Cheese Co., Inc., eastern district of Wisconsin. June 2, 1949, information charging false billing of express shipments of cheese; 10 counts.

United States v. Chicago & N. W. Ry. Co., eastern district of Wisconsin. December 19, 1949, information charging defendant with unlawfully and knowingly offering, granting, and giving concessions on demurrage charges; 10 counts.

United States v. Chicago Great Western Ry. Co., northern district of Iowa. August 9, 1952, complaint alleging violations of Service Order No. 866; 30 counts.

United States v. Chicago, M., St. P. & P. R. Co., eastern district of Wisconsin. December 19, 1949, information charging defendant with unlawfully and knowingly offering, granting, and giving concessions on demurrage charges; 10 counts.

United States v. Chicago, M., St. P. & P. R. Co., western district of Washington. June 19, 1952, complaint alleging violations of Service Order No. 876 (Revised); 15 counts.

United States v. Columbia & Cowlitz Ry. Co., western district of Washington. June 19, 1952, complaint alleging violations of Service Order No. 876 (Revised); 25 counts.

United States v. Granite City Steel Co., southern district of Illinois. August 29, 1952, information charging violations of Section 1 of the Elkins Act for knowingly soliciting, accepting and receiving concessions on demurrage charges; 20 counts.

United States v. Great Northern Ry., western district of Washington, northern division. July 16, 1952, complaint alleging violations of Service Order No. 876 (Revised); 15 counts.

United States v. The Kilgore Mfg. Co., district of New Jersey. July 10, 1951, indictment charging violations of the Commission's Explosives Regulations; 9,000 counts.

United States v. Minneapolis, St. P. & S. S. M. R. Co., eastern district of Wisconsin. December 19, 1949, information charging defendant with unlawfully and knowingly offering, granting and giving concessions on demurrage charges; 10 counts.

United States v. New York Central R. Co., northern district of Ohio, western division. January 30, 1952, complaint alleging violations of Service Order No. 866; 5 counts.

United States v. Newark Paraffine and Parchment Paper Co., district of New Jersey. September 26, 1952, information charging false billing of shipments via water carrier; 9 counts.

United States v. Newark Paraffine and Parchment Paper Co., district of New Jersey. September 26, 1952, information charging false billing of shipments via rail carriers; 12 counts.

United States v. Northern Pac. Ry. Co., western district of Washington. June 19, 1952, complaint alleging violations of Service Order 876 (Revised); 20 counts.

United States v. Oregon Electric Ry., district of Oregon. July 11, 1952, complaint alleging violations of Service Order No. 876 (Revised); 5 counts.

United States v. Oregon, P. & E. Ry. Co., district of Oregon. July 11, 1952, complaint alleging violations of Service Order No. 876 (Revised); 5 counts.

United States v. Panhandle and Santa Fe Ry. Co., western district of Texas. September 29, 1952, complaint alleging violations of Service Order No. 866; 20 counts.

United States v. Pennsylvania R. Co., northern district of Ohio. January 24, 1952, complaint alleging violations of Service Order No. 869 at Barberton, Ohio; 10 counts.

United States v. Pennsylvania R. Co., northern district of Ohio. December 7, 1951, complaint alleging violations of Service Order No. 869 at East Palestine, Ohio; 5 counts.

United States v. Pennsylvania R. Co., southern district of Ohio. December 21, 1951, complaint alleging violations of Service Order No. 869 at Gambier, Ohio; 20 counts.

United States v. Pennsylvania R. Co., northern district of Ohio. January 23, 1952, complaint alleging violations of Service Order No. 869 at Mansfield, Ohio; 19 counts.

United States v. Pennsylvania R. Co., northern district of Ohio. December 7, 1951, complaint alleging violations of Service Order No. 869 at Minerva, Ohio; 19 counts.

United States v. Pennsylvania R. Co., northern district of Ohio. February 18, 1952, complaint alleging violations of Service Order No. 869 at Port Washington and Newcomerstown, Ohio; 10 counts.

United States v. Pennsylvania R. Co., western district of Pennsylvania. February 5, 1952, complaint alleging violations of Service Order No. 869 at Summersville and Duffs Jct., Pa.; 10 counts.

United States v. Pennsylvania R. Co., northern district of Ohio. January 23, 1952, complaint alleging violations of Service Order No. 869 at Waynesburg, Ohio; 14 counts.

United States v. Pennsylvania R. Co., southern district of Ohio, eastern division. October 22, 1951, complaint alleging violations of Service Order No. 869 at Zanesville, Ohio; 31 counts.

United States v. Southern Pac. Co., district of Oregon. July 11, 1952, complaint alleging violations of Service Order No. 876 (Revised); 20 counts.

United States v. Spokane, Portland & Seattle Ry. Co., district of Oregon. July 11, 1952, complaint alleging violations of Service Order No. 876 (Revised); 5 counts.

United States v. Union Pac. R. Co., western district of Washington. June 19, 1952, complaint alleging violations of Service Order No. 876 (Revised); 10 counts.

APPENDIX B

SUMMARIES SHOWING ACTION TAKEN SINCE THE PERIOD COVERED BY THE LAST ANNUAL REPORT WITH RESPECT TO CASES INVOLVING ORDERS AND REQUIREMENTS OF THE COMMISSION, AND STATUS ON OCTOBER 31, 1952, OF CASES PENDING IN THE COURTS

CASES DECIDED BY THE COURTS SINCE OCTOBER 31, 1951

SUPREME COURT OF THE UNITED STATES

New York Public Service Comm. v. United States.

For case history see 1951 Annual Report, page 158. On November 26, 1951, motion to affirm of United States and Interstate Commerce Commission was granted (342 U. S. 882).

Interstate Commerce Commission v. New York Central R. Co.

For case history see 1951 Annual Report, page 157. On November 3, 1951, the case was docketed on appeal to the Supreme Court, and on December 3, 1951, appellee's motion to affirm was granted (342 U. S. 890).

State of Illinois v. United States.

For case history see 1951 Annual Report, page 165. On December 28, 1951, the case was docketed on appeal to the Supreme Court, and on February 4, 1952, the Commission's motion to affirm was granted (342 U. S. 930).

National Furniture Traffic Conference, Inc., v. United States.

For case history see 1951 Annual Report, pages 159 and 163. On December 11, 1951, the case was docketed on appeal to the Supreme Court, and on March 3, 1952, motion to affirm of United States and Interstate Commerce Commission was granted (342 U. S. 935).

Central Railroad Co. of New Jersey v. United States.

For case history see 1951 Annual Report, page 159. On December 29, 1951, the case was docketed on appeal to the Supreme Court, and on March 3, 1952, motion to affirm of United States and Interstate Commerce Commission was granted (342 U. S. 935).

Riss & Co. v. United States.

Riss & Co. v. United States.

For history of these cases see 1951 Annual Report, page 161. On January 17, 1952, the cases were docketed on appeal to the Supreme Court, and on March 3, 1952, motion to affirm of United States and Interstate Commerce Commission was granted (342 U. S. 937). Rehearing denied (343 U. S. 937).

United States v. James McWilliams Blue Line, Inc.

For case history see 1951 Annual Report, page 163. On February 11, 1952, the case was docketed on appeal to the Supreme Court, and on March 10, 1952, appellee's motion to affirm was granted (342 U. S. 951).

Auto Transports, Inc. v. United States.

For case history see 1951 Annual Report, page 162, and page 155, this volume. On April 21, 1952, motion to affirm of United States and Interstate Commerce Commission was granted (343 U. S. 923 and 958).

Swift & Co. v. United States.

For case history see 1951 Annual Report, page 160. On May 5, 1952, the Commission's order was sustained (343 U. S. 373).

Benjamin P. Shein, et al., trading as Shein's Express, v. United States.

For case history see page 155, this volume. On May 12, 1952, judgment of the district court was affirmed and the Commission's order sustained (343 U. S. 944).

United States v. Great Northern Ry. Co.

For case history see 1951 Annual Report, page 157. On June 2, 1952, the Commission's order was sustained, in part, and the case remanded to United States District Court, District of Minnesota, fourth division, to pass on other issues not determined by that court (343 U. S. 562).

Thompson, Trustee, Missouri Pac. R. Co. v. United States.

For case history see 1951 Annual Report, page 162. On January 7, 1952, the case was docketed on appeal to the Supreme Court, and on June 2, 1952, the Commission's order was held invalid (343 U. S. 549).

Brooks Transportation Co., Inc., v. United States.

For case history see page 156, this volume. On October 13, 1952, motion to affirm was granted and the Commission's order sustained by the Supreme Court (344 U. S. 804).

All States Freight, Inc., v. United States.

For case history see page 155, this volume. On October 13, 1952, motion to affirm was granted and the Commission's order sustained by the Supreme Court (344 U. S. 804).

Frank Kornfeind, dba Chicago-Nebraska Motor Express v. United States.

For case history see page 157 this volume, and 1950 Annual Report, page 138. On October 27, 1952, motion to affirm was granted and the Commission's order sustained by the Supreme Court (344 U. S. 862).

COURT OF APPEALS, SEVENTH CIRCUIT

Froehling Supply Co. v. United States.

For case history see 1951 Annual Report, page 156. On December 6, 1951, the case was docketed on appeal to the Court of Appeals, Seventh Circuit, and on February 21, 1952, judgment of the District Court was affirmed, sustaining the Commission's order (194 Fed. (2d) 637).

DISTRICT OF COLUMBIA CIRCUIT

United States of America v. Interstate Commerce Commission, et al.

For case history see 1951 Annual Report, page 161. On December 12, 1951, the case was argued and submitted for decision, and on July 18, 1952, judgment of the district court was reversed and the Commission's order held invalid (198 Fed. (2d) 958). On October 16, 1952, petition for writ of certiorari was filed by the Interstate Commerce Commission in the Supreme Court.

Ramspeck, Chairman, Civil Service Comm. et al. v. Federal Trial Examiners Conference et al.

In action for summary judgment, suit by hearing examiners and Federal Trial Examiners Conference, to have declared invalid certain regulations issued by Civil Service Commission pertaining to their appointment, promotion, tenure and compensation. On March 4, 1952, certain of the regulations under attack were held invalid. On May 8, 1952, judgment of lower court denying stay order was entered, and on May 28, 1952, a stay order pending determination of the issues was granted by the Court of Appeals, D. C., and motion of the Interstate Commerce Commission for leave to file brief *amicus curiae* was filed, the Commission's brief being filed on June 4, 1952. On June 16, 1952, the case was argued and submitted for decision, and on July 16, 1952, judgment of the district court was affirmed and the Civil Service regulations set aside. (104 Fed. Supp. 734). On October 20, 1952, the Supreme Court granted petition for writ of certiorari to review this decision.

COURT OF APPEALS, FIFTH CIRCUIT

Childs, District Dir., B. M. C., Interstate Commerce Commission v. Ball Bros. Trucking Co.

For case history see 1951 Annual Report, page 158. On December 20, 1951, the appeal was dismissed by the court. (93 Fed. (2d) 134).

DISTRICT COURTS OF THE UNITED STATES

Illinois Central R. Co. v. United States, northern district of Illinois, eastern division.

For case history see 1951 Annual Report, page 164, and page 159, this volume.

Baltimore & Ohio R. Co. v. United States, southern district of New York.

For case history see 1951 Annual Report, page 164, and page 159, this volume. *The County Board of Arlington County, Virginia, v. United States*, eastern district of Virginia, Alexandria division.

For case history see 1951 Annual Report, page 164, and page 159, this volume.

Refrigerated Transport, Inc., v. United States, northern district of Texas, Dallas division.

For case history see 1951 Annual Report, page 165, and page 159, this volume. *Auto Transports, Inc., v. United States*, western district of Oklahoma.

For case history see 1951 Annual Report, page 162. On November 2, 1951, the Commission's order was sustained (101 Fed. Supp. 132), and on March 20, 1952, the case was docketed on appeal to the Supreme Court. On April 21, 1952, motion to affirm of United States and the Commission was granted (343 U. S. 923 and 958).

W. J. Dillner Transfer Co. v. Interstate Commerce Commission, western district of Pennsylvania.

For case history see 1950 Annual Report, page 138. On December 5, 1951, the Commission's order was sustained (101 Fed. Supp. 506), and on May 22, 1952, the case was docketed on appeal to the Supreme Court.

Benjamin P. Shein et al. trading as Shein's Express v. United States, district of New Jersey.

For case history see 1951 Annual Report, page 163. On December 17, 1951, the Commission's order was sustained (102 Fed. Supp. 320), and on April 22, 1952, the case was docketed on appeal to the Supreme Court. On May 12, 1952, judgment of the district court was affirmed, and the Commission's order sustained (343 U. S. 944).

The Alabama Great Southern R. Co. v. United States, eastern district of Virginia.

Suit to set aside Commission's report and order of November 13, 1951, in Docket No. W-543 (Sub-No. 2), *Seatrail Lines, Inc., Temporary Authority Application*, 285 I. C. C. 83, finding that there is an immediate and urgent need for applicant's proposed service as a common carrier by water in the transportation of commodities generally, between New York, N. Y., and Savannah, Ga. On November 26, 1951, the complaint was filed, and on January 9, 1952, the Commission's order was sustained (103 Fed. Supp. 223). On April 10, 1952, the case was discontinued because not appealed within the time prescribed by law.

American Trucking Association, Inc. v. United States, northern district of Alabama.

For case history, see 1951 annual report, page 165. On December 14, 1951, the Commission's order was sustained (101 Fed. Supp. 710). The case was appealed to the Supreme Court where it is now pending decision.

Eastern Motor Express, Inc., v. United States, southern district of Indiana, Terre Haute division.

For case history see 1951 Annual Report, page 165. On February 11, 1952, the Commission's order was sustained (103 Fed. Supp. 694), and on April 16, 1952, the case was docketed on appeal to the Supreme Court.

George T. Gross, Maurice Van Nostrand, and Elmert Merkert v. United States, southern district of Iowa, central division.

For case history see 1951 Annual Report, page 166. On February 18, 1952, the injunction was denied, and the complaint dismissed with prejudice.

Sakis and Harrell v. United States, District of Columbia.

For case history see 1951 Annual Report, page 162. On February 21, 1952, the Commission's order was sustained (103 Fed. Supp. 292), and on August 4, 1952, the case was docketed on appeal to the Supreme Court. On August 26, 1952, the case was dismissed by the Supreme Court pursuant to rule 35.

John V. Kenney v. United States, district of New Jersey.

Suit by individual users of, or commuters on, the interstate facilities of Hudson & Manhattan R. Co., to enjoin a proposed increase in passenger fares from 15 cents to 20 cents between points in New York, N. Y., and Jersey City and Hoboken, N. J., which the Commission found just and reasonable, and not otherwise unlawful, in its order of December 3, 1951, in I. and S. Docket No. 5924, 283 I. C. C. 751. On December 12, 1951, the complaint was filed, and on March 26, 1952, the Commission's order was sustained (103 Fed. Supp. 971).

Atlanta & St. Andrews Bay Ry. Co. v. United States, middle district of Alabama.

For case history see 1951 Annual Report, page 166. On April 10, 1952, the Commission's order was held invalid (104 Fed. Supp. 193), and on June 10, 1952, the case was discontinued, the Commission having voted not to appeal.

All States Freight, Inc., v. United States, northern district of Ohio, eastern division.

Suit to set aside order of the Commission (division 5), dated June 18, 1951, in Docket No. MC-59852 (Sub-No. 8), denying authority to applicant All States

Freight, Inc., to serve Ashland and six other points in Ohio. On December 18, 1951, the complaint was filed, and on April 28, 1952, the Commission's order was sustained. On July 1, 1952, the case was docketed on appeal to the Supreme Court.

Albert E. Schwabacher et al. v. United States, District of Columbia.

For case history see 1951 Annual Report, page 163. On May 9, 1952, the Commission's order was sustained (104 Fed. Supp. 875), and on August 18, 1952, the case was discontinued because not appealed within the time prescribed by law.

Brooks Transportation Co., Inc., v. United States, eastern district of Virginia.

For case history see 1951 Annual Report, page 166. On May 12, 1952, the Commission's order was sustained, and on July 12, 1952, the case was docketed on appeal to the Supreme Court.

National Fisheries Institute, Inc., v. United States, District of Columbia.

Suit to set aside Special Permission No. 52260, granted to Railway Express Agency by division 2 of the Commission, dated December 18, 1951, denying petition of Secretary of Agriculture and National Fisheries Institute to vacate the order entered in I. and S. Docket No. 5949, dated November 14, 1951, vacating and setting aside order of suspension in this proceeding permitting additional icing charges on fish, et cetera. On December 19, 1951, the complaint was filed, and on May 13, 1952, the Commission's motion to dismiss was granted on ground that plaintiff had no standing to sue.

Copperweld Steel Co. v. United States, western district of Pennsylvania.

Suit to set aside Commission's report of September 28, 1951, in I. and S. Docket No. 5357, *Terminal Allowance, Copperweld Steel Co., Warren, Ohio*, finding that respondent's obligation under its interstate line-haul rates did not extend to interchange tracks described in the report, and finding performance by respondent Baltimore & Ohio R. Co., of switching services beyond the described tracks, without charge, in addition to the line-haul rates, or the payment of an allowance to the industry in lieu of such service to be unlawful (269 I. C. C. 323 and 283 I. C. C. 327). On November 30, 1951, the complaint was filed, and on June 25, 1952, the Commission's order was sustained (106 Fed. Supp. 283). On September 26, 1952, the case was docketed on appeal to the Supreme Court.

Houff Transfer, Inc., Weyers Cave, Va. v. United States, western district of Virginia.

Suit to set aside division 4's report of June 1, 1950 (petition for reconsideration denied by entire Commission on April 2, 1951), in Docket No. MC-F-4222, *C. E. Houff—Control: Houff Transfer, Inc.—Purchase (Portion)—Wesley Stillwell*, denying application of Houff Transfer, Inc., for authority to purchase certain operating rights of Frank Charles Laxton, Wesley Charles Stillwell, and C. E. Houff, for authority to acquire control of the operating rights through purchase. On December 24, 1951, the complaint was filed, and on July 15, 1952, the Commission's order was sustained (105 Fed. Supp. 851). On September 26, 1952, the case was discontinued because not appealed within the time prescribed by law.

Houff Transfer, Inc., Weyers Cave, Va. v. United States, western district of Virginia.

Suit to set aside Commission's order of December 4, 1950, in Docket No. MC-C-987, *M. I. O'Boyle & Sons, Inc., et al. v. Houff Transfer, Inc.* (petition for rehearing denied June 4, 1951), finding defendant to be performing unauthorized transportation, as a motor common carrier of dangerous articles in interstate and foreign commerce, and ordering said carrier to cease and desist from such transportation. On December 24, 1951, the complaint was filed, and on July 15, 1952, the Commission's order was sustained (105 Fed. Supp. 847). On September 26, 1952, the case was discontinued because not appealed within the time prescribed by law.

Chicago and North Western Ry. Co. v. United States, northern district of Illinois, eastern division.

Suit to set aside Commission's report and order of September 27, 1951, in Docket No. 30288, *City of Milwaukee v. Chicago & N. W. Ry. Co.*, finding, upon reconsideration, that extension of line of the Chicago, M., St. P. & P. R. Co., to the municipal harbor terminal at Milwaukee reasonably required by public convenience and necessity, and use of terminal facilities, including right-of-way of the Chicago & N. W. Ry. Co., for purpose of effectuating such extension to be in the public interest and practicable, without substantially impairing ability of the North Western to handle its own business (279 I. C. C. 521 and 283 I. C. C.

311). On November 23, 1951, the complaint was filed, and on July 16, 1952, the court entered findings of fact, conclusions of law and final decree sustaining the Commission's order.

Florida Gladiolus Growers Assn., et al. v. United States, district of Florida, Tampa division.

Suit to set aside Commission's report of April 13, 1951, in Docket No. MC-C-968 (52 M. C. C. 511), wherein the Commission found, among other things, that gladiolus and gladiolus bulbs were not exempt agricultural commodities within the meaning of section 203 (b) (6), of Part II of the Interstate Commerce Act. On December 3, 1951, the complaint was filed, and on July 23, 1952, the Commission's order was held invalid (106 Fed. Supp. 525). On August 1, 1952, the case was discontinued because not appealed within the time prescribed by law.

State of Montana, et al. v. United States, district of Montana, Helena division.

Suit to set aside Commission's report of February 4, 1952, and order of May 20, 1952, in Docket No. 30674, *Montana Intrastate Freight Rates & Charges*, finding that intrastate freight rates in Montana cause unjust discrimination against interstate commerce, undue preference of and advantage to certain persons and localities in intrastate commerce, and undue prejudice and disadvantage to certain persons and localities in interstate commerce (284 I. C. C. 167). On May 27, 1952, the complaint was filed, and on August 13, 1952, a permanent injunction was issued by the court, setting aside the Commission's order. (106 Fed. Supp. 778; 106 Fed. Supp. 786). On November 17, 1952, the case was docketed on appeal to the Supreme Court.

Frank Kornfeind, dba Chicago-Nebraska Motor Express, v. United States, northern district of Illinois, eastern division.

For case history see 1950 Annual Report, page 138. On May 26, 1952, judgment was entered by court dismissing the complaint, and on September 8, 1952, the case was docketed on appeal to the Supreme Court. On October 27, 1952, motion to affirm was granted by the Supreme Court and the commission's order sustained.

W. Howard Pinkett, et al. v. United States, district of Maryland.

Suit to set aside Commission's report and order of March 6, 1951, in Docket No. MC-111778, *Cochran Common Carrier Application*, finding that public convenience and necessity required operation by applicant as a common carrier by motor vehicle, of passengers and their baggage, in charter operations, between points in described areas in Delaware and Maryland, on the one hand, and, on the other, points in Maryland, Pennsylvania, New Jersey, Virginia, and the District of Columbia, over irregular routes. Relief also sought against Commission's orders of November 5, 1951, and February 4, 1952, denying petitions for reopening and reconsideration. On March 10, 1952, the complaint was filed, and on June 3, 1952, the Commission's order was held invalid (105 Fed. Supp. 67). On August 1, 1952, the case was discontinued, the Commission having voted not to appeal.

Baltimore & Ohio R. Co., et al. v. United States, eastern district of Missouri, eastern division.

Suit to set aside Commission's report and order, on reconsideration, dated January 7, 1952, in Docket No. 30074, *Texas Citrus and Vegetable Growers and Shippers v. Atchison, T. & S. F. Ry. Co., et al.*, prescribing reasonable bases of rates on carrots, in carloads, from Texas to points in official, southern and western trunk-line territories, and on certain other vegetables from Texas to official territory. Prior report 279 I. C. C. 671. On March 14, 1952, the complaint was filed, and on June 18, 1952, motion to dismiss of United States and Commission was granted (105 Fed. Supp. 631). On August 6, 1952, the case was docketed on appeal to the Supreme Court, and on October 13, 1952, the Supreme Court noted probable jurisdiction.

Chicago & Eastern Illinois R. Co. v. United States, southern district of Indiana, Terre Haute division.

Suit to set aside Commission's order, by division 2, of September 21, 1951, in I. and S. Docket No. 5782, *Automobiles from Evansville, Ind., to Missouri*, finding that reduced rates on automobiles in carloads, and on automobile parts, in mixed carloads with automobiles, from Evansville, Ind., to St. Louis, Mo., have not been shown to be just and reasonable, and ordering such rates canceled (283 I. C. C. 135). On January 29, 1952, the complaint was filed, and on August 27, 1952, the Commission's order was sustained (107 Fed. Supp. 118). On November 11, 1952, the case was docketed on appeal to the Supreme Court.

The Callanan Road Improvement Co., a Corporation v. United States, northern district of New York.

Suit to set aside Commission's report and order, by division 4, dated October 18, 1951, in Docket No. W-103, *Hutton Contract Carrier Application*, 285 I. C. C. 75 (petition for reconsideration denied by entire Commission on March 17, 1952), finding that plaintiff was engaged in the performance of towage service without appropriate authority, and also finding that rates, charges, and allowances made by it to shippers for the use of their own scows in the performance of towage, were unlawful and should be canceled. On April 11, 1952, the complaint was filed, and on September 15, 1952, judgment was entered by the court dismissing the complaint and sustaining the Commission's order (107 Fed. Supp. 184).

Newtex Steamship Corp., et al. v. United States, southern district of New York.

Suit to set aside Commission's report and order of August 9, 1951, in Docket No. W-376 (Sub-No. 10), *Pan-Atlantic Steamship Corp. Extension—Houston*, 285 I. C. C. 33, finding that public convenience and necessity require extension of applicants' presently authorized operations so as to include Houston and Galveston, Tex., (petition for rehearing denied January 24, 1952). On January 3, 1952, the complaint was filed, and on September 16, 1952, the Commission's order was sustained (107 Fed. Supp. 388).

Herrin Transportation Co., Inc., v. United States, eastern district of Louisiana, New Orleans division.

Suit to set aside Commission's report on reconsideration dated September 27, 1951, in Docket No. MC-F-4130, *Herrin Transp. Co.—Purchase—Mobile Express, Inc.*, 58 M. C. C. 59, which denied application of Herrin Transp. Co. for authority to purchase operating rights of Mobile Express, Inc., and of Robert T. Herrin for authority to acquire control of the operating rights through the purchase. On November 23, 1951, the complaint was filed, and on September 22, 1952, the Commission's order was sustained.

F. M. Carlsen, etc., President Joint Executive Committee of Bergen and Rockland County Commuters Assns. v. United States, southern district of New York.

For case history see page 164, this volume.

Malone Freight Lines, Inc., v. United States, northern district of Alabama, southern division.

For case history see page 163, this volume.

Jack Cole Co., Inc., v. United States, northern district of Alabama, southern division.

For case history see page 161, this volume.

L. A. Tucker Truck Lines, Inc., v. United States, Eastern district of Missouri, eastern division.

For case history see 1950 annual report, page 139. On appeal to the Supreme Court, the case was argued and submitted for decision on October 20, 1952.

CASES CONCLUDED

SUPREME COURT OF THE UNITED STATES

Sakis and Harrell v. United States.

For case history see page 155, this volume.

UNITED STATES COURTS OF APPEALS

Tenth Circuit

Johnston Seed Co. v. United States.

For case history see 1951 Annual Report, page 156. On December 18, 1951, the case was discontinued because not appealed within the time prescribed by law.

Fifth Circuit

Childs, Dist. Dir., B. M. C., Interstate Commerce Commission v. Ball Bros. Trucking Co.

For case history see 1951 Annual Report, page 161. On December 20, 1951, the appeal was dismissed by the court (193 Fed. (2d) 134), and on January 20, 1952, the case was discontinued due to decision not to appeal to the Supreme Court.

Seventh Circuit

Froehling Supply Co. v. United States.

For case history see page 154, this volume. On May 22, 1952, the case was discontinued because not appealed within the time prescribed by law.

DISTRICT COURTS OF THE UNITED STATES

Hudson & Manhattan R. Co. v. United States, southern district of New York.

For case history see 1951 Annual Report, page 158. On November 1, 1951, the case was discontinued because not appealed within the time prescribed by law.

Council Bluffs Transit Co. v. United States, district of Iowa, western division.

For case history see 1951 Annual Report, page 164. On November 9, 1951, the case was dismissed by the court, without prejudice, on stipulation of the parties.

International Ry. Co. v. United States, western district of New York.

For case history see 1951 Annual Report, page 161, and 1946 Annual Report, page 135. On November 14, 1951, the court entered an order dismissing the case without prejudice.

Refrigerated Transport, Inc., v. United States, northern district of Texas, Dallas division.

For case history see 1951 Annual Report, page 165. On November 15, 1951, the case was dismissed by the court, without prejudice.

St. Johnsbury Trucking Co. v. United States, district of Vermont.

For case history see 1951 Annual Report, page 159, and 1948 Annual Report, page 147. On November 16, 1951, the case was discontinued because not appealed within the time prescribed by law.

Spiegel, Inc., v. United States, District of Columbia.

For case history see 1951 Annual Report, page 164. On December 10, 1951, the case was discontinued because not appealed within the time prescribed by law.

The County Board of Arlington County, Va., v. United States, eastern district of Virginia, Alexandria division.

For case history see 1951 Annual Report, page 164. On November 15, 1951, the Commission's order was sustained (101 Fed. Supp. 328), and on January 18, 1952, the case was discontinued because not appealed within the time prescribed by law.

Illinois Central R. Co. v. United States, northern district of Illinois, eastern division.

For case history see 1951 Annual Report, page 164. On November 2, 1951, the Commission's order was sustained (101 Fed. Supp. 317), and on January 3, 1952, the case was discontinued because not appealed within the time prescribed by law.

Simon J. Nash, Etc. v. Interstate Commerce Commission and Civil Service Commission, District of Columbia.

For case history see 1951 Annual Report, page 165. On January 17, 1952, an order of dismissal was entered by the court.

Baltimore & Ohio R. Co. v. United States, southern district of New York.

For case history see 1951 Annual Report, page 164. On November 1, 1951, the Commission's order was sustained (100 Fed. Supp. 1002), and on February 4, 1952, the case was discontinued because not appealed within the time prescribed by law.

The Alabama Great Southern R. Co. v. United States, eastern district of Virginia.

For case history see page 155, this volume.

Pacific Intermountain Express Co. v. United States, northern district of California, southern division.

For case history see 1951 Annual Report, page 162. On February 12, 1952, the case was dismissed by the court with prejudice.

Tennessee Valley Authority v. United States, northern district of Alabama.

For case history see 1951 Annual Report, pages 157 and 161. On May 15, 1952, the case was discontinued because not appealed within the time prescribed by law.

National Fisheries Institute, Inc., v. United States, District of Columbia.

For case history see page 156, this volume.

George M. Hopke v. United States, southern district of New York.

Suit to set aside Commission's report on reconsideration, dated October 1, 1951, *Hopke Freight Forwarder Application*, 285 I. C. C. 61, affirming findings in a prior report of division 4 (265 I. C. C. 726), that applicant's operations are those of a freight forwarder subject to part IV of the Interstate Commerce Act. On January 29, 1952, the complaint was filed, and on May 13, 1952, the case was discontinued by the court on motion of the parties to dismiss, with prejudice.

United States of America v. Interstate Commerce Commission, District of Columbia.

For case history see 1951 Annual Report, page 165. On June 3, 1952, the case was dismissed by court on stipulation of the parties.

Boyd Conlee Co. v. United States, eastern district of Washington, northern division.

Suit to set aside division 4's report and order of December 26, 1951, (petition for reconsideration denied by entire Commission on February 29, 1952) in F. D. No. 16876, *Great Northern Ry. Co. Trackage Rights*, authorizing issuance of a certificate (1) permitting construction of connecting tracks at Fairfield, Wash., approximately 2.57 miles, and at Spokane, Wash., approximately 470 feet, and (2) permitting abandonment by Great Northern Ry. Co. of a portion of a line of railroad approximately 22.87 miles in Spokane County, Wash., on condition. On March 24, 1952, the bill of complaint was filed, and on June 9, 1952, the case was dismissed by court on stipulation of the parties.

Atlanta & St. Andrews Bay Ry. Co. v. United States, middle district of Alabama.

For case history see page 155, this volume.

W. Howard Pinkett, et al. v. United States, district of Maryland.

For case history see page 157, this volume.

George T. Gross, Maurice Van Nostrand, and Elmert Merkert v. United States, southern district of Iowa, central division.

For case history see page 155, this volume.

Florida Gladiolus Growers Assn., et al. v. United States, district of Florida, Tampa division.

For case history see page 157, this volume.

Albert E. Schwabacher, et al. v. United States, District of Columbia.

For case history see page 156, this volume.

Dart Transit Co. v. United States, district of Minnesota, fourth division.

Suit to set aside division 5's report and order of May 26, 1952, finding that respondent, Dart Transit Co., transported commodities not authorized by its permit, granted under section 209 (a) of the Interstate Commerce Act, and in violation thereof, and requiring respondent to cease and desist from such unlawful operation before July 10, 1952. On June 26, 1952, the complaint was filed, and on July 1, 1952, the case was dismissed by the court on plaintiff's motion.

National Automobile Transporters Assn., et al. v. United States, eastern district of Michigan, southern division.

Suit to set aside rule 193.75, imposing a gross axle weight limitation upon all motor-vehicle equipment presently operated by motor carriers subject to part II of the Interstate Commerce Act, dependent upon the size of the tires mounted upon the respective axles of such motor-vehicle equipment, adopted by the Commission on April 14, 1952, in Ex Parte No. MC-40, *Qualifications of Employees and Safety of Operation*, 54 M. C. C. 337. On June 30, 1952, the complaint was filed and on August 6, 1952, the case was dismissed by the court on plaintiffs' motion.

Houff Transfer, Inc., Weyers Cave, Va. v. United States, western district of Virginia.

For case history see page 156, this volume.

Houff Transfer, Inc., Weyers Cave, Va. v. United States, western district of Virginia.

For case history see page 156, this volume.

Illinois-California Express, Inc., v. United States, district of Colorado.

Suit to set aside and enjoin Commission's order of August 14, 1952, in Docket No. MC-113463 (Sub-No. 1), *Temporary Authority*, granting Contract Carrier Co., Albuquerque, N. Mex., temporary authority as a contract carrier by motor vehicle to haul beer and empty beer containers over irregular routes between Golden, Colo., and certain destinations in New Mexico. On September 16, 1952, the complaint was filed, and on October 29, 1952, the Commission's motion to dismiss was filed. On October 27, 1952, the case was dismissed by the district court, with prejudice.

CASES PENDING IN THE COURTS, OCTOBER 31, 1952

SUPREME COURT OF THE UNITED STATES

W. J. Dillner Transfer Co. v. Interstate Commerce Commission.

For case history see page 155, this volume.

United States and Interstate Commerce Commission v. L. A. Tucker Truck Lines, Inc.

For case history see page 158, this volume. On October 20, 1952, the case was argued and submitted for decision.

Wilbur C. King et al., as and constituting Florida Railroad and Public Utilities Commn. v. United States.

For case history see 1950 Annual Report, page 139, and 1951 Annual Report, page 158. On October 14-15, 1952, the case was argued and submitted to the Supreme Court.

Eastern Motor Express, Inc. v. United States.

For case history see page 155, this volume.

American Trucking Asso., Inc. v. United States.

For case history see page 155, this volume.

Chicago and North Western Ry. Co. v. United States.

For case history see page 156, this volume.

Copperweld Steel Co. v. United States.

For case history see page 156, this volume.

Baltimore & Ohio R. Co. v. United States.

For case history see page 157, this volume.

Ramspeck, Chairman, Civil Service Comm., et al. v. Federal Trial Examiners Conference, et al.

For case history see page 154, this volume.

United States of America v. Interstate Commerce Commission, et al.

For case history see page 154, this volume.

DISTRICT COURTS OF THE UNITED STATES

Middle Atlantic States Motor Carrier Conference, Inc., v. United States, district of Delaware.

For case history see 1946 Annual Report, page 136.

Great Lakes Steel Corp. v. United States, eastern district of Michigan.

For case history see 1950 Annual Report, page 137.

Baltimore & Ohio R. Co. v. Chicago River & Indiana R. Co., northern district of Illinois, eastern division.

For case history see 1949 Annual Report, page 140.

South Brooklyn Ry. Co. v. Keogh, U. S. Attorney etc., eastern district of New York.

For case history see 1948 Annual Report, page 147.

United States v. Interstate Commerce Commission, District of Columbia.

For case history see 1949 Annual Report, page 146.

Middle Atlantic Transp. Co. v. United States, southern district of New York.

For case history see 1950 Annual Report, page 135.

Coastal Tank Lines, Inc., v. United States, District of Columbia.

For case history see 1950 Annual Report, page 138.

Great Northern Ry. Co. v. United States, district of Minnesota, fourth division.

For case history see 1951 Annual Report, page 157, and page 153, this volume.

Keystone Steel & Wire Co. v. United States, southern district of Illinois, northern division.

For case history see 1951 Annual Report, page 162. On March 31, 1952, the case was argued and submitted for decision.

McGraw Electric Co. v. United States, eastern district of Missouri, eastern division.

For case history see 1951 Annual Report, pages 162 and 163.

H. W. Taynton, Inc., v. United States, middle district of Pennsylvania.

For case history see 1951 Annual Report, page 163.

John A. Clarke, Atwood's Transport Lines, Inc., v. United States, District of Columbia.

For case history see 1951 Annual Report, page 164.

Greyvan Lines, Inc., v. United States, northern district of Illinois, eastern division.

For case history see 1951 Annual Report, page 165.

Jack Cole Co., Inc., v. United States, northern district of Alabama, southern division.

For case history see 1951 Annual Report, page 163. On July 14, 1952, the case was argued and submitted for decision. On October 27, 1952, findings of fact, conclusions of law and judgment sustaining the Commission's order were entered by the court.

Movers' Conference of America et al. v. United States, eastern district of Michigan, southern division.

For case history see 1951 Annual Report, page 163.

Joseph Pomprowitz, a sole trader v. United States, eastern district of Wisconsin. For case history see 1951 Annual Report, page 166.

Paul C. Apper et al. v. United States, northern district of Ohio.

Suit to set aside Commission's report and order of May 8, 1951, in Ex Parte MC-43, *Lease and Interchange of Vehicles by Motor Carriers*, 52 M.C.C. 675, prescribing rules and regulations to be observed by motor common and contract carriers of property subject to part II of the Interstate Commerce Act, governing practices of such carriers in leasing and interchange of motor vehicle equipment. On November 27, 1951, the bill of complaint was received, and on December 6, 1951, the Commission's answer was filed.

United Transports, Inc., v. United States, western district of Texas, San Antonio division.

Suit to set aside Commission's order of November 20, 1950, in Docket No. MC-101317 (Sub-No. 8), *Mills-King Extension—Barge Line Traffic*, (petition for rehearing denied September 27, 1951), finding public convenience and necessity required operation by applicant as a common carrier by motor vehicle, over irregular routes, of automobiles, etc., in secondary movements by truckaway and driveaway, from Memphis, Tenn., Houston, Texas, and nearby points, to other points in Texas. On November 6, 1951, the complaint was filed, and on December 26, 1951, the Commission's answer was filed.

Border Express, Inc., et al. v. United States, district of Massachusetts.

Suit to set aside Commission's report and order, by division 5, in Docket No. MC-93682 (Sub-No. 2), *Cole's Express Common Carrier Application*, granting certificate of public convenience and necessity authorizing operations solely within the State of Maine, as required in the interest of public convenience and necessity. (Petition for reconsideration denied by entire Commission on July 2, 1951.) On November 16, 1951, the complaint was filed, and on November 30, 1951, the Commission's answer was filed.

Herrin Transportation Co., Inc., et al. v. United States, eastern district of Louisiana, New Orleans division.

For case history see page 158, this volume.

Martin Bros. Box Co. v. United States, district of Oregon.

Suit to set aside report and order of division 3, dated March 12, 1951, in Docket No. 29852, *Martin Bros. Box Co. v. Southern Pac. Co.* (280 I. C. C. 395), (petition for rehearing denied July 30, 1951), finding that defendant, Southern Pacific Company, during the period January 1 to September 30, 1947, inclusive, had not engaged in any unreasonable or otherwise unlawful practice in furnishing or refusing to furnish cars to complainant at Oakland, Oreg., or to have subjected complainant to undue prejudice, and directing dismissal of the complaint. On November 26, 1951, the complaint was filed, and on January 23, 1952, the Commission's answer was filed.

John A. Clarke & Atwood's Transport Lines, Inc., v. United States, District of Columbia.

Suit to set aside order of division 5, dated August 1, 1951, in Docket No. MC-FC-53364, denying application for approval of sale of Clarke's operating rights to Atwood's Transport Lines, and the Commission's order of November 5, 1951, denying petition for reconsideration. On December 10, 1951, the complaint was filed, and on February 8, 1952, the Commission's answer was filed.

John V. Kenney et al. v. United States, district of New Jersey.

For case history see page 155, this volume.

Charles Kulp and Kulp & Gordon, Inc., v. United States, eastern district of Pennsylvania.

Suit to set aside Commission's report and order of April 11, 1951, in Docket No. MC-F-4433, *Kulp & Gordon, Inc., Purchase—Silva Bros.*, 57 M. C. C. 517 (petition for reconsideration denied by entire Commission on November 13, 1951), denying plaintiffs' application made under section 5 of the Interstate Commerce Act, for authority to purchase certain operating rights of Silva Bros., and for authority to acquire control of the operating rights through purchase. On January 4, 1952, the complaint was filed, and on February 20, 1952, the Commission's answer was filed.

West York Coach Lines, Ltd. v. United States, northern district of Ohio, eastern division.

Suit to set aside Commission's report and order of October 1, 1951, in Docket No. MC-111788, *West York Coach Lines, Common Carrier Application*, 53 M. C. C. 407, finding, on reconsideration, that public convenience and necessity require operation by applicant as a common carrier by motor vehicle of passengers and

their baggage, in round-trip charter operations from April to October, inclusive, each year, over routes beginning and ending at the boundaries of the United States and Canada, extending through the ports of entry in New York and Michigan to points in 11 States and the District of Columbia, restricted to those round trips beginning and ending at Toronto, Canada, and points in Canada adjacent thereto. On January 12, 1952, the complaint was filed, and on March 12, 1952, the Commission's answer was filed.

Briggs Transfer Co. v. United States, western district of Wisconsin.

Suit to set aside Commission's report and order by division 4, of March 4, 1951 (petition for rehearing denied by entire Commission on July 2, 1951), approving application involved in Docket No. MC-4530, *Chippewa Motor Freight of Bloomer, Wisc.—Purchase*, seeking authority to purchase the operating rights of Bellows & Bellows of Cameron, Wisc., and for acquisition of control of said operating rights by Frank W. Babbitt, through purchase. On January 22, 1952, the complaint was filed, and on February 21, 1952, the Commission's answer was filed.

Chicago and Eastern Illinois R. Co. v. United States, southern district of Indiana, Terre Haute division.

For case history see page 157, this volume.

Newtex Steamship Corp. and Seatrain Lines, Inc., v. United States, southern district of New York.

For case history see page 158, this volume.

Elmer W. Henderson v. United States, District of Columbia.

Suit to set aside Commission's report and order of February 4, 1952, in Docket No. 28895, *Henderson v. Southern Ry. Co.*, 284 I. C. C. 161, finding, upon further hearing, that the practices of defendant, as provided for in its revised dining-car instructions, effective July 1, 1950, did not constitute undue or unreasonable prejudice or disadvantage to complainant or others. Prior reports 279 I. C. C. 233, 269 I. C. C. 73, and 258 I. C. C. 413. On March 25, 1952, the complaint was filed, and on May 21, 1952, the Commission's intervention and answer were filed.

A. C. E. Transportation Co., Inc., v. United States, northern district of Ohio, eastern division.

Suit to set aside report and order of the Commission, by division 4, dated November 16, 1951, in Docket No. MC-F-4705, *Wilson House—Control: Eastern Motor Express, Inc.—Purchase—Wilson Motor Lines, Inc.* (petition for rehearing denied March 8, 1952), approving and authorizing, subject to conditions, purchase by Eastern Motor Express, Inc., of the operating rights of Wilson Motor Lines, Inc., and acquisition of control of the operating rights by Wilson House through such purchase. On March 28, 1952, the complaint was filed, and on May 26, 1952, the Commission's answer was filed.

The Callanan Road Improvement Co., a Corp. v. United States, northern district of New York.

For case history see page 158, this volume.

Malone Freight Lines, Inc., v. United States, northern district of Alabama, southern division.

Suit to set aside report and order of division 5, dated August 23, 1951, in Docket No. MC-C-1132, *Akers Motor Lines, Inc., v. Malone Freight Lines, Inc.*, 53 M. C. C. 353, (petition for reconsideration denied by entire Commission on February 15, 1952), finding that Malone Freight Lines, Inc., was performing transportation as a motor common carrier of property in interstate commerce between points within a single radial destination territory not authorized by its certificate, in violation of the Interstate Commerce Act, and directing the carrier to cease and desist from engaging in such operations. On April 9, 1952, the complaint was filed, and on July 15, 1952, the case was argued and submitted for decision. On October 13, 1952, the Commission's order was sustained (107 Fed. Supp. 946) and on October 30, 1952, stay order was entered by Mr. Justice Black of the Supreme Court granting a stay pending disposition of appeal.

Edward Pittwood v. United States, eastern district of Washington, northern division.

Suit to set aside Commission's order of November 14, 1918, in a proceeding entitled *Pittwood v. Northern Pac. Ry. Co.*, Docket No. 9754, 51 I. C. C. 535, holding that a warehouse owner is not entitled to recover damages for depreciation in the rental value of his property as a result of leases by a railroad company of similar properties at nominal rentals to shippers. On April 14, 1952, the complaint was filed, and on June 10, 1952, the Commission's intervention and answer were filed.

Oklahoma-Louisiana Motor Freight Co. v. United States, district of Oklahoma.

Suit to set aside Commission's report and order of May 8, 1951, in Ex Parte No. MC-43, *Lease and Interchange of Vehicles by Motor Carriers*, prescribing rules and regulations to be observed by motor common and contract carriers of property, subject to part II of the Interstate Commerce Act, governing practices of such carriers in leasing and interchange of motor vehicle equipment. (52 M. C. C. 675.) On May 12, 1952, the complaint was filed, and on June 16, 1952, the Commission's answer was filed.

F. M. Carlsen, etc., President Joint Executive Committee of Bergen and Rockland County Commuters Assns. v. United States, southern district of New York.

Suit to require the Commission to enjoin and suspend a schedule of passenger fares already in effect, filed by Rockland Coaches, Inc., and other carriers, wherein the Commission, in *Motor Carrier Suspension File No. 391469*, on May 2, 1952, had declined to suspend the increased fares. On May 12, 1952, the complaint was filed, and on May 22, 1952, the case was argued on motion of United States and Interstate Commerce Commission, to dismiss, and in opposition to stay order being granted. On September 30, 1952, the motion for an injunction was denied, and defendants' cross-motion to dismiss was granted. (107 F. Supp. 398.)

State of Montana v. United States, district of Montana, Helena division.

For case history see page 157, this volume.

L. E. (Prince) Wales, dba Wales Trucking Co. v. United States, northern district of Texas, Dallas division.

Suit to set aside Commission's order of June 11, 1951, in Docket No. MC-1554 (Sub-No. 7), *E. L. Farmer & Co., Extension—Western States*, (petition for reconsideration denied by entire Commission on May 7, 1952), finding public convenience and necessity require operation by applicants as common carriers by motor vehicle, of described oil field commodities, between points in Texas, on the one hand, and certain Rocky Mountain States on the other, over irregular routes. On June 2, 1952, the complaint was filed, and on July 7, 1952, the Commission's answer was filed.

Monumental Motor Tours, Inc., v. United States, district of Maryland.

Suit to set aside Commission's report on reconsideration of October 1, 1951, in Docket No. MC-84728 (Sub-No. 21), *Safeway Trails, Inc.—Extension—Atlantic City*, finding that public convenience and necessity require operation by applicant in interstate or foreign commerce as a common carrier by motor vehicle of passengers and their baggage, and of express, mail, and newspapers in the same vehicle with passengers, between Atlantic City, N. J., and the junction of U. S. Highways 13 and 40, over U. S. Highway 40, serving intermediate points. On June 9, 1952, the complaint was filed, and on July 2, 1952, the Commission's intervention and answer were filed.

Georgia Peanut Co., Inc., et al. v. United States, middle district of Georgia, Albany division.

Suit to set aside Commission's report of February 4, 1952, in Docket No. 30229, *Georgia Peanut Co. v. Atlantic Coast Line R. Co.*, 284 I. C. C. 308, finding, upon reargument, rates on raw shelled peanuts, in bags, in carloads, from various points in Alabama, Florida, Georgia, and South Carolina to Savannah, Ga., for export and handling, and switching charges thereon at Savannah not unreasonable nor otherwise unlawful. (Prior report 280 I. C. C. 775). On July 28, 1952, the complaint was filed, and on September 25, 1952, the Commission's answer was filed.

Denver-Chicago Trucking Co., Inc., v. United States, district of Colorado.

Suit to set aside and annul Commission's order of May 19, 1952, in Docket No. MC-F-4784, *Fay V. Watson et al.—Control: Watson Bros. Transportation Co., Inc.—Purchase—R. J. Howell*, wherein the Commission denied petition for reconsideration of an order entered by division 4 on October 29, 1951, denying petition for leave to intervene, tendered as a petition for reconsideration, of a report and order of July 25, 1951, and for acceptance of further petitions, dated November 3 and 26, 1951, to revoke, suspend, and cancel the certificate issued September 28, 1951, in Docket No. MC-70451 (Sub-No. 129). On August 1, 1952, the complaint was filed, and on September 22, 1952, the Commission's answer was filed.

Baumer Foods, Inc., v. United States, eastern district of Louisiana, New Orleans division.

Suit to set aside report and order of division 3, dated January 11, 1952, in Docket No. 30019, *Baumer Foods, Inc., v. Atchison, T. & S. F. Ry. Co.*, 284 I. C. C. 38 (petition for rehearing denied July 7, 1952), wherein the Commission

dismissed a complaint against the charges sought to be collected on frozen apricots and peaches from California origins to Chicago, Ill., reforwarded to New Orleans, La., on the ground it was barred by statute of limitations. On August 6, 1952, the complaint was filed, and on October 3, 1952, the Commission's answer was filed. Case held in abeyance due to reopening by the Commission.

The Baltimore Transfer Co., et al. v. United States, district of Maryland.

Suit to set aside and annul Commission's order of August 16, 1951, in Docket No. MC-F-4437, *Thomas J. Lyons—Control: Quinn Freight Lines, Inc.—Purchase—Jessie B. Wadkins and Thomas Fereol Neale (Agnes B. Neale, Adm.)*, granting a certificate of public convenience and necessity covering the operating authorities of Quinn Freight Lines, Inc., as vendee. (Petition for reconsideration denied April 25, 1952.) On August 27, 1952, the complaint was filed, and on September 29, 1952, the Commission's answer was filed.

Denver-Chicago Trucking Co. et al. v. Interstate Commerce Commission et al., district of Colorado.

Suit to set aside and cancel orders of the Commission dated May 19, 1952, in Docket No. MC-F-4784, *Fay V. Watson et al. Control—Watson Bros., Transportation Co., Inc.—Purchase—R. J. Howell*, whereby the Commission authorized purchase by Watson Bros. Transportation Co. of the portion of the operating rights of Wilson Bros., Docket No. MC-70451 (Sub-No. 129). On September 19, 1952, the complaint was filed, and on October 13, 1952, the Commission's answer was filed.

John W. Tocco v. United States, district of Oregon.

Suit to set aside Commission's report and order of July 18, 1947, in Docket No. MC-18209, *John W. Tocco, successor to E. A. Beck, Common Carrier Application*, where plaintiff, as successor to Beck was found to have failed to establish the rights bought under the grandfather clauses of sections 206 (a) and 209 (a) of part II of the Interstate Commerce Act to a certificate or permit as a common carrier or contract carrier by motor vehicle, between points in Idaho, Oregon and Washington over irregular routes. Findings in prior reports 24 M. C. C. 41 and 42 M. C. C. 870, affirmed. On May 9, 1952, the complaint was filed, and on July 10, 1952, the Commission's answer was filed.

Smith's Transfer Corp. v. United States, western district of Virginia, Harrisonburg division.

Suit to set aside Commission's report and order of September 18, 1951, in Docket No. MC-61825 (Sub-No. 13), *Roy Stone Transfer Corporation—Extension—Roanoke Gateway* (petition for reconsideration denied by entire Commission on May 7, 1952), finding that public convenience and necessity required operation by applicant, as a common carrier by motor vehicle of general commodities, with certain exceptions, between points in West Virginia, on the one hand, and, on the other, points in specified portions of Virginia and North Carolina, restricted to traffic moving through Roanoke, Va., over irregular routes. On June 19, 1952, the complaint was filed, and on July 14, 1952, the Commission's intervention and answer were filed.

Arrow Transportation Co. of Delaware v. United States, district of Oregon.

Suit to set aside Commission's report and order of October 22, 1951 (petition for rehearing denied by entire Commission on March 17, 1952), in Docket No. MC-C-1134, *Arrow Transport. Co. of Delaware v. Collett*, 53 M. C. C. 411, wherein the Commission found that defendant's operations as a common carrier by motor vehicle in the transportation of petroleum products, in bulk, in tank vehicles, from specified points in Idaho to points in eastern Oregon, did not exceed the scope of operations held by it under present certificates of public convenience and necessity, and dismissed the complaint. On June 16, 1952, the complaint was filed, and on August 2, 1952, the Commission's intervention and answer were filed.

Lattavo Bros., Inc., v. Capt. Andrew J. Hudock, Pennsylvania State Police, western district of Pennsylvania.

Suit to enjoin defendant from interfering with plaintiff's motortrucks while operating in interstate commerce over federally aided highways, under color of authority of motor vehicle code of Pennsylvania, because plaintiff's trucks operate in excess of the weight limitations of the State of Pennsylvania. On July 15, 1952, intervention of the Commission, which was requested by the court, was allowed, and on August 25, 1952, the Commission's brief *amicus curiae* was filed. On October 8-9, 1952, the case was argued and submitted for decision.

Michigan Motor Freight Lines, Inc., v. United States, eastern district of Michigan.

Suit to set aside Commission's report and order of September 13, 1951, in Docket No. MC-108671 (Sub-No. 6), *Tarbet Trucking, Inc.—Extension—Findlay, Ohio* (petition for reconsideration denied by entire Commission on May 19, 1952), finding that public convenience and necessity required operation by Tarbet Trucking, Inc., as a common carrier by motor vehicle of general commodities, with certain exceptions, over five specified alternate regular routes between certain points in Illinois, Ohio, and New York, serving no intermediate points. On July 16, 1952, the complaint was filed, and on August 20, 1952, the Commission's answer was filed.

Riss & Co. v. United States, western district of Missouri.

Suit to set aside Commission's report and order of June 2, 1952, in Docket No. MC-200 (Sub-No. 60-TA), *Riss & Company, Inc., Interpretation of Temporary Authority*, 54 M. C. C. 531, previously granted Riss, which authorized transportation of dangerous explosives only from, to, between the points, over the routes, and in the manner in which Riss is authorized to transport other commodities as specified in its certificate in No. MC-200 (Sub-No. 46), and whereby the Commission directed Riss to cease and desist from conducting operations in excess of such authority. On July 18, 1952, the complaint was filed, and on September 22, 1952, the Commission's answer was filed.

W. Thurman Shayler, Guardian, v. United States, western district of Oklahoma.

Suit to set aside Commission's order of June 2, 1952, in Docket No. MC-FC-35181, *Application for Extension of Lease, N. J. Barnett and W. Thurman Shayler, a partnership, dba Warren G. Shayler, Oklahoma City, Okla., Lessee, and Warren G. Shayler, W. Thurman Shayler, Guardian, Lessor*, denying petition for reconsideration to review the action of division 5 of October 4, 1951, granting the above-numbered application for extension of the lease until October 31, 1952, but declining to approve such extension for the further period requested of 5 years. On August 7, 1952, the complaint was filed, and on November 10, 1952, the Commission's answer was filed.

Ace Doran Hauling & Rigging Co. v. United States, southern district of Ohio, western division.

Suit to set aside Commission's order of July 23, 1951 (petition for reconsideration denied May 7, 1952), in Docket No. MC-46975 (Sub-No. 1), *P. J. Metz Sons, Inc., Extension—Michigan*, wherein public convenience and necessity were found to require operation by applicant, as a common carrier by motor vehicle, of commodities which, because of their size or weight, require the use of special equipment, between Cincinnati and points in Ohio, Indiana, and Kentucky, within 25 miles of Cincinnati, on the one hand, and, on the other, points in Illinois, Indiana, Kentucky, Michigan, New York, Missouri, Pennsylvania, and West Virginia, over irregular routes, and wherein issuance of certificate was approved, subject to compliance by applicant with certain conditions. On August 6, 1952, the complaint was filed, and on September 15, 1952, the Commission's answer was filed. On October 15, 1952, brief on behalf of the Commission was filed and the case was argued on October 22, 1952, submitted and taken under advisement by the district court.

Arrowhead Freight Lines, Ltd. v. United States, southern district of California, central division.

Suit to set aside Commission's order of April 8, 1952, in Docket No. MC-C-1079, *Fleetlines, Inc., v. Arrowhead Freight Lines*, 54 M. C. C. 279, insofar as it is applicable to the North Las Vegas-Las Vegas operations of plaintiff, or, in the alternative, that the Commission be required to reopen said proceedings for the taking of further testimony. On August 21, 1952, the complaint was filed. No answer filed because petition for reconsideration still pending before the Commission.

Dart Transit Co. v. United States, district of Minnesota, fourth division.

Suit to set aside division 5's report and order of May 26, 1952, finding that respondent, Dart Transit Co., transported commodities not authorized by its permit, granted under Sec. 209 (a) of the act, and in violation of the Interstate Commerce Act, and requiring respondent to cease and desist from such unlawful operations. On September 30, 1952, the complaint was filed.

National Trucking & Storage Co., Inc. v. United States, District of Columbia.

Suit to set aside Commission's order of October 23, 1951, in Docket No. 29771 *National Trucking & Storage Co. v. Pennsylvania R. Co.*, 270 I. C. C. 539, 277 I. C. C. 109, and 283 I. C. C. 395, finding that the sum of \$26,667.30, in demurrage undercharges was owed by complainant to Pennsylvania Railroad Co. (petition for rehearing denied July 21, 1952), and in which complainant alleges that by correct principles of law said amount should be reduced to \$2,180.50. On October 3, 1952, the complaint was filed.

State of Tennessee, et al. v. United States, middle district of Tennessee, Nashville division.

Suit to set aside Commission's report of May 19, 1952, in Docket No. 30720, *Tennessee Intrastate Rates and Charges*, 286 I. C. C. 41, and its order of August 19, 1952, requiring said rates to become effective November 28, 1952, upon not less than 30 days' filing and posting, and finding that Tennessee rates and charges on coal and wood caused unjust discrimination against interstate commerce, and, as to coal, undue preference and advantage to persons and localities in intrastate commerce, and undue prejudice and disadvantage to persons and localities in interstate commerce, and that intrastate rates in Tennessee on certain other commodities did not result in any violation of the act. On October 10, 1952, the complaint was filed. On December 1, 1952, temporary injunction pending determination of suit was entered by the district court.

R. N. B. Converse, dba Converse Trucking Service, v. United States, northern district of California, southern division.

Suit to set aside Commission's report and order of May 26, 1952 (petition for rehearing denied September 18, 1952), in Docket No. MC-C-1201, *Pierce Auto Freight Lines, Inc., v. Converse*, 54 M. C. C. 447, finding defendant engaged in certain transportation between points in western states beyond the scope of the operations authorized in his certificate No. MC-41601, and that maintenance by defendant of different levels of rates for transportation of the same commodities between the same points would be unlawful, and ordering him to cease and desist from such unlawful operations and practices. On October 13, 1952, the complaint was filed.

L. A. Smith Company v. United States, eastern district of Michigan, southern division.

Suit to grant a stay of the Commission's order of October 14, 1952, in Docket No. MC-109652 (Sub-No. 6-TA), to continue plaintiff's existing temporary operations from Lucas County, Ohio, until the court can pass upon the validity of the Commission's orders of August 6, 1951, November 5, 1951, and May 7, 1952, in No. MC-190652 (Sub-No. 5), *L. A. Smith Company Extension—Ohio Origins, River Rouge, Mich.*, finding that operation by applicant as a contract carrier by motor vehicle over irregular routes, of liquid petroleum products, in bulk, in tank vehicles, from points in Lucas County, Ohio, to points in specified counties in Michigan was not consistent with the public interest and the national transportation policy, and denied the application. On October 22, 1952, the complaint was filed.

APPENDIX C

STATISTICAL SUMMARIES

- A. Statistics of railway development since 1941.
 B. Statistics from monthly and other periodical reports of carriers.

A. Statistics of Railway Development

Data for years preceding 1941 for most of the tables appear in prior reports.

TABLE I.—*Mileage operated and mileage owned by steam railways in the United States, 1941-51*

Year ended Dec. 31—	Road owned in the United States ¹ (first main track)	Total miles of all tracks operated, excluding trackage rights ²	Mileage operated by classes I, II, and III line-haul railways (including trackage rights)			
			First main track	Second or additional main tracks	Yard track and sidings	All tracks
1941-----	231,971	382,439	244,263	41,166	118,196	403,625
1942-----	229,174	378,570	241,737	41,137	116,753	399,627
1943-----	227,999	377,631	240,745	41,093	116,892	398,730
1944-----	227,335	377,210	240,215	41,178	117,044	398,437
1945-----	226,696	376,772	239,438	41,106	117,510	398,054
1946-----	226,438	376,516	239,069	41,015	117,953	398,037
1947-----	225,806	376,034	238,209	40,954	118,192	397,355
1948-----	225,149	376,173	237,756	40,845	118,602	397,203
1949-----	224,511	376,108	237,564	40,639	119,029	397,232
1950-----	223,779	375,296	236,857	40,456	119,067	396,380
1951-----	223,427	374,852	236,476	40,157	119,198	395,831

¹ Includes mileage of some small companies that do not make annual reports to the Commission.

² Includes mileage of classes I, II, and III line-haul railways and switching and terminal companies.

TABLE II.—*Equipment of steam railways, including switching and terminal companies, in service at the close of each year, 1941-51*¹

Year ended Dec. 31—	Locomotives							
	Steam		Electric		Diesel-electric		Other	
	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²
		<i>Pounds</i>		<i>Pounds</i>		<i>Pounds</i>		<i>Pounds</i>
1941-----	41,911	51,217	895	56,301	1,517	54,733	52	22,628
1942-----	41,755	51,811	892	56,591	1,978	54,942	46	22,740
1943-----	41,983	52,451	907	56,896	2,476	55,200	40	19,923
1944-----	41,921	52,822	902	56,878	3,432	56,398	50	21,684
1945-----	41,018	53,217	885	57,295	4,301	55,868	49	21,474
1946-----	39,592	53,735	867	58,565	5,008	55,872	44	20,529
1947-----	36,942	54,506	864	58,816	6,495	56,524	43	23,778
1948-----	34,581	55,170	867	59,250	8,981	56,285	45	32,053
1949-----	30,344	56,333	856	59,427	12,025	56,714	47	29,636
1950-----	26,680	57,075	827	59,713	15,396	57,487	48	18,842
1951-----	22,590	58,476	817	60,037	19,014	58,202	52	19,687

See footnotes at end of table.

TABLE II.—*Equipment of steam railways, including switching and terminal companies, in service at the close of each year 1941-51*¹—Continued

Year ended Dec. 31—	Cars					
	Freight cars (excluding caboose)		Passenger train	Coaches		
	Number	Average capacity ²	Number	Number	Average seating capacity ²	Number air-conditioned ²
		<i>Tons</i>				
1941.....	1,732,673	50.3	38,334	17,490	77	4,784
1942.....	1,773,735	50.5	38,446	17,807	77	5,166
1943.....	1,784,472	50.7	38,331	17,929	77	5,291
1944.....	1,797,012	50.8	38,217	17,842	77	5,316
1945.....	1,787,073	51.1	38,633	17,668	77	5,326
1946.....	1,768,400	51.3	38,697	17,654	77	5,677
1947.....	1,759,758	51.5	39,057	17,542	76	6,180
1948.....	1,785,067	51.9	39,406	17,150	75	6,512
1949.....	1,778,811	52.4	38,006	16,806	75	6,868
1950.....	1,745,778	52.6	37,359	16,485	75	7,351
1951.....	1,777,878	52.9	36,326	15,856	76	7,389

¹ Privately owned cars and cars owned or leased by the Pullman Co., are not included. In 1951 privately owned freight-carrying cars numbered 268,722 and cars owned or leased by the Pullman Co., 6,276.

² Class I steam railways.

TABLE III.—*Railway capital actually outstanding and net income, 1941-51: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Total railway capital	Funded debt unmatured ¹	Preferred stock	Common stock	Ratio of debt to capital	Net income ²	Ratio of net income to stock
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>	<i>Thousands</i>	<i>Percent</i>
1941.....	\$20,707,778	\$11,208,816	\$1,952,593	\$7,546,369	54.1	\$557,672	5.87
1942.....	20,471,191	10,970,648	1,935,222	7,565,321	53.6	992,843	10.45
1943.....	19,913,582	10,484,259	1,912,119	7,517,204	52.6	946,150	10.03
1944.....	19,402,593	9,954,215	1,984,173	7,464,206	51.3	733,461	7.76
1945.....	18,681,292	9,257,950	1,980,750	7,442,592	49.6	502,250	5.33
1946.....	18,449,437	9,040,901	1,960,995	7,447,541	49.0	334,966	3.56
1947.....	18,050,122	8,824,903	1,975,188	7,250,031	48.9	537,405	5.83
1948.....	18,249,091	9,007,491	1,991,825	7,249,775	49.4	767,949	8.31
1949.....	18,342,568	9,120,246	1,988,169	7,234,153	49.7	496,103	5.38
1950.....	18,273,631	9,089,499	1,976,670	7,207,462	49.7	854,951	9.31
1951.....	18,219,950	9,007,960	1,976,699	7,235,291	49.4	757,934	8.23

¹ Does not include long-term debt in default. For class I railways and their nonoperating subsidiaries such debt amounted to \$198,644 (thousands) at the close of 1951.

² Intercorporate duplications not eliminated, but amounts shown correspond with the stock in the second and third preceding columns.

TABLE IV.—*Dividends, 1941-51: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Proportion of stock-paying dividends ¹	Amount of dividends ¹	Average rate on—		Dividends declared ²	
			Dividend-paying stock ¹	All stock	On preferred stock	On common stock
	<i>Percent</i>	<i>Thousands</i>	<i>Percent</i>	<i>Percent</i>		
1941.....	40.65	\$239,438	6.20	2.52	\$27,445,002	\$158,400,721
1942.....	56.37	254,088	4.74	2.67	34,422,097	167,848,035
1943.....	57.97	263,919	4.83	2.83	37,046,973	179,496,716
1944.....	58.46	292,248	5.29	3.09	54,577,117	191,401,095
1945.....	57.13	295,294	5.49	3.13	48,448,791	197,543,159
1946.....	55.50	283,171	5.42	3.01	58,649,278	175,932,458
1947.....	56.20	280,397	5.41	3.04	54,759,213	181,706,349
1948.....	69.75	335,313	5.20	3.63	69,244,802	220,001,710
1949.....	64.24	306,995	5.18	3.33	64,223,191	187,723,811
1950.....	73.70	348,811	5.15	3.80	79,191,647	232,907,042
1951.....	72.74	373,574	5.58	4.06	87,900,473	240,577,360

¹ Includes figures for lessors and operating railways without excluding duplications on account of intercorporate payments. Stock dividends for the last 11 years have been as follows: \$705,000 in 1943, \$15,800 in 1948, and \$2,426,100 in 1951.

² By class I line-haul railways.

TABLE V.—*Reported property investment and selected income items, 1941-51: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Investment ¹	Investment per mile of road	Depre- ciation reserve ²	Net railway operating income ³	Other income ⁴	Fixed charges and other deduc- tions ⁵	Net income
	<i>Thousands</i>		<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
1941.....	⁶ \$25,668,984	\$111,352	\$3,240,145	\$1,009,592	\$169,519	\$674,455	\$557,672
1942.....	⁶ 25,838,351	113,364	3,561,570	1,499,364	175,296	764,055	992,843
1943.....	⁶ 26,145,458	115,288	3,939,562	1,370,569	194,440	686,576	946,150
1944.....	⁶ 26,631,654	117,771	4,382,604	1,113,153	202,827	647,064	733,461
1945.....	⁶ 26,967,756	119,664	5,549,720	858,864	196,081	602,691	502,250
1946.....	⁶ 27,277,974	121,074	5,890,975	624,868	197,105	533,941	334,966
1947.....	⁶ 27,686,103	123,215	6,037,033	790,534	211,868	517,330	537,405
1948.....	⁶ 28,664,759	127,625	6,279,892	1,014,815	216,775	524,149	767,949
1949.....	⁶ 29,519,832	131,784	6,438,177	693,957	238,659	490,133	496,103
1950.....	⁶ 30,174,312	135,076	6,629,150	1,055,309	245,433	504,926	854,951
1951.....	⁶ 31,077,781	139,332	6,837,120	956,699	253,758	506,538	757,934

¹ Includes investment of operating, lessor, and proprietary companies. Proprietary companies do not render annual reports to the Commission but information concerning them is given in reports of the operating companies.

² Includes amortization of defense projects.

³ This term, as defined in the Interstate Commerce Act, means "railway operating income, including in the computation thereof debits and credits arising from equipment rents and joint facility rents."

⁴ Includes amounts received as interest or dividends on railroad securities owned by reporting carriers. See Statistics of Railways, table 109. Figures represent classes I, II, and III line-haul railways.

⁵ The interest included represents accruals, not payments. In 1951, the interest accrued on unmatured funded debt and long-term debt in default in excess of payments was \$20,620,916 for class I steam railways. Figures represent classes I, II, and III line-haul railways.

⁶ Includes investment of lessor and proprietary companies, as follows, but excludes investment of proprietary companies in systems which file consolidated annual reports combining the mileage, investment and other items on a net system basis:

Year	Lessor companies	Proprietary companies	Year	Lessor companies	Proprietary companies
	<i>Thousands</i>	<i>Thousands</i>		<i>Thousands</i>	<i>Thousands</i>
1941.....	\$4,000,275	\$818,060	1947.....	\$3,507,365	\$761,297
1942.....	3,933,048	803,280	1948.....	3,405,052	740,229
1943.....	3,885,103	858,312	1949.....	3,503,617	628,136
1944.....	3,865,708	811,979	1950.....	3,407,102	616,495
1945.....	3,632,499	806,153	1951.....	3,258,907	617,846
1946.....	3,545,819	758,181			

TABLE VI.—*Operating revenues, operating expenses, and taxes: Class I line-haul railways, 1941-51*

Year ended Dec. 31—	Operating revenues	Freight revenues	Passenger revenues	Operating expenses	Railway tax accruals ¹			Ratio of total operating expenses to total operating revenues
					U. S. Gov- ernment taxes	Other than U. S. Gov- ernment taxes	Total	
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>
1941.....	\$5,346,700	\$4,443,405	\$514,633	\$3,664,232	\$331,047	\$224,282	\$555,329	68.53
1942.....	7,465,823	5,944,344	1,028,186	4,601,083	955,352	248,404	1,203,756	61.63
1943.....	9,054,724	6,782,470	1,652,868	5,657,461	1,583,256	270,880	1,854,136	62.48
1944.....	9,436,790	6,998,606	1,790,305	6,282,063	1,564,118	285,791	1,849,909	66.57
1945.....	8,902,248	6,533,767	1,716,379	7,051,627	551,004	275,571	826,575	79.21
1946.....	7,627,651	5,786,556	1,259,169	6,357,415	243,831	256,159	499,990	83.35
1947.....	8,684,918	7,041,185	963,322	6,797,265	655,849	282,528	938,377	78.27
1948.....	9,671,722	7,976,285	964,303	7,472,035	723,325	307,466	1,030,791	77.26
1949.....	8,580,142	7,048,240	860,744	6,891,819	519,517	314,910	834,427	80.32
1950.....	9,473,093	7,817,263	813,417	7,059,276	868,037	328,226	1,196,263	74.52
1951.....	10,390,611	8,634,101	900,310	8,041,277	858,106	347,646	1,205,752	77.39

¹ Includes lessor companies.

TABLE VII.—*Number and compensation of employees: Class I line-haul railways, 1941-51*

Year ended Dec. 31—	Average number of employees during year ¹	Total hours paid for	Compensation of railway employees ²			
			Total	Average per hour	Ratio to revenues	Ratio to expenses
		<i>Thousands</i>	<i>Thousands</i>		<i>Percent</i>	<i>Percent</i>
1941	1, 139, 925	2, 989, 788	\$2, 331, 650	\$0. 780	43. 61	63. 63
1942	1, 270, 687	3, 440, 957	2, 932, 070	. 852	39. 27	63. 73
1943	1, 355, 114	3, 816, 420	3, 520, 926	. 923	38. 88	62. 24
1944	1, 414, 776	3, 996, 873	3, 857, 957	. 965	40. 88	61. 41
1945	1, 419, 505	3, 979, 637	3, 862, 001	. 970	43. 38	54. 77
1946	1, 359, 263	3, 632, 338	4, 170, 767	1. 148	54. 68	65. 60
1947	1, 351, 863	3, 613, 296	4, 352, 047	1. 204	50. 11	64. 03
1948	1, 326, 597	3, 545, 081	4, 768, 828	1. 345	49. 31	63. 82
1949	1, 192, 019	3, 018, 736	4, 418, 790	1. 464	51. 50	64. 12
1950	1, 220, 401	2, 876, 591	4, 594, 423	1. 597	48. 50	65. 08
1951	1, 275, 744	2, 978, 870	5, 272, 975	1. 770	50. 75	65. 57

¹ This is the average of 12 counts made at middle of month and differs from the number of persons receiving pay during the month of year regardless of whether for a long or short period.

² In 1951 \$5,011,996 (thousands) or 95.05 percent of the reported compensation, was chargeable to operating expenses.

TABLE VIII.—*Freight transportation service performed by line-haul railways, 1941-51*

Year ended Dec. 31—	Revenue tons originated	Revenue tons carried 1 mile	Loaded car miles	Average haul		Average amount received for each ton originated	Revenue per ton-mile
				United States as a system	For the individual road		
	<i>Thousands</i>	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>	<i>Miles</i>		<i>Cents</i>
1941	1, 295, 860	477, 576	18, 172	368. 54	198. 59	\$3. 480	0. 944
1942	1, 498, 477	640, 992	21, 536	427. 76	217. 55	4. 022	. 940
1943	1, 576, 558	730, 132	23, 284	469. 07	231. 23	4. 411	. 940
1944	1, 564, 780	740, 586	24, 186	473. 28	234. 62	4. 529	. 957
1945	1, 493, 314	684, 148	22, 669	458. 14	230. 21	4. 431	. 967
1946	1, 431, 936	594, 943	20, 340	415. 48	217. 54	4. 097	. 986
1947	1, 613, 148	657, 878	21, 490	407. 82	216. 45	4. 427	1. 085
1948	1, 580, 480	641, 104	20, 746	405. 64	213. 85	5. 121	1. 262
1949	1, 284, 197	529, 111	17, 948	412. 02	218. 18	5. 569	1. 352
1950	1, 420, 891	591, 550	19, 736	416. 32	218. 21	5. 584	1. 341
1951	1, 547, 238	649, 831	20, 709	419. 99	220. 97	5. 660	1. 348

TABLE IX.—*Carload, trainload, and density of traffic: Class I line-haul railways, 1941-51*

Year ended Dec. 31—	Ton-mile revenue and nonrevenue freight per loaded freight-car mile	Revenue ton-miles per train-mile	Passenger-miles per car-mile	Passenger-miles per train-mile	Revenue ton-miles per mile of road	Passenger-miles per mile of road
1941	28. 41	845	15	73	2, 044, 237	128, 413
1942	31. 78	968	22	125	2, 760, 479	236, 400
1943	33. 29	1, 050	31	190	3, 168, 749	389, 839
1944	32. 60	1, 068	32	201	3, 222, 168	425, 012
1945	32. 18	1, 058	30	191	2, 979, 597	408, 333
1946	31. 24	1, 016	25	144	2, 596, 647	288, 945
1947	32. 56	1, 076	21	111	2, 869, 909	204, 854
1948	32. 88	1, 104	19	101	2, 808, 728	184, 701
1949	31. 29	1, 068	18	92	2, 321, 799	157, 929
1950	31. 63	1, 157	17	89	2, 598, 236	143, 285
1951	32. 87	1, 238	18	97	2, 860, 589	156, 771

TABLE X.—*Passenger transportation service performed by line-haul railways, 1941-51*

Year ended Dec. 31—	Passengers carried	Passenger-miles	Average journey per passenger ¹	Average receipts per passenger	Revenue per passenger-mile
	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>		<i>Cents</i>
1941.....	489	29,406	60.18	\$1.056	1.754
1942.....	672	53,747	79.93	1.533	1.917
1943.....	888	87,925	99.05	1.865	1.883
1944.....	916	95,663	104.46	1.958	1.875
1945.....	897	91,826	102.33	1.916	1.872
1946.....	795	64,754	81.47	1.587	1.948
1947.....	707	45,972	65.07	1.366	2.099
1948.....	646	41,224	63.86	1.496	2.342
1949.....	557	35,133	63.11	1.549	2.454
1950.....	488	31,790	65.14	1.669	2.563
1951.....	485	34,640	71.35	1.856	2.601

¹ This average is affected by the changing ratio of commutation traffic to the total traffic.

TABLE XI.—*Fuel consumed by steam locomotives, and rails and ties laid: Class I line-haul railways, 1941-51*

Year ended Dec. 31—	Bituminous coal	Anthracite coal	Fuel oil		Total fuel ¹	Rails applied in replacement and betterment (all tracks)	Ties laid in previously constructed tracks	
							Cross ties	Switch and bridge ties
	<i>Net tons</i>	<i>Net tons</i>	<i>Thousands of gallons</i>	<i>Equivalent tons</i>	<i>Net tons</i>	<i>Long tons</i>	<i>Number</i>	<i>Feet (b. m.)</i>
1941.....	91,655,061	432,080	3,025,461	19,497,035	111,616,334	2,228,822	47,224,593	144,599,723
1942.....	109,618,324	263,371	3,905,096	25,128,332	135,037,207	2,250,280	48,616,228	136,944,189
1943.....	122,593,389	280,958	4,433,419	28,511,597	151,411,739	2,409,989	45,439,512	124,097,473
1944.....	122,653,989	197,232	4,511,002	29,048,228	151,928,340	2,878,068	48,032,634	137,780,487
1945.....	115,153,596	138,920	4,413,072	28,482,014	143,806,437	2,955,736	43,912,213	130,520,278
1946.....	100,485,542	145,352	3,869,371	24,904,520	125,567,755	2,302,099	37,562,383	106,204,525
1947.....	100,437,382	41,937	3,788,666	24,428,489	124,941,886	2,531,858	37,289,473	108,159,083
1948.....	88,001,197	99,477	3,358,831	(2)	(2)	2,454,355	36,842,371	119,932,243
1949.....	62,230,168	50,991	2,543,207	(2)	(2)	2,209,032	30,285,046	107,792,738
1950.....	55,410,450	41,138	2,277,220	(2)	(2)	2,190,516	30,493,607	98,399,781
1951.....	48,310,890	6,721	2,036,249	(2)	(2)	2,058,897	29,061,560	92,798,640

¹ In the statement of consumption of fuel by locomotives, 1 cord of hardwood is considered as equivalent to $\frac{3}{8}$ of a ton of fuel and 1 cord of softwood as equivalent to $\frac{1}{2}$ of a ton of fuel. The ratio used in reducing fuel oil to equivalent tons of fuel is left to the experience of each road. Figures include data for cordwood, also a small amount of miscellaneous fuel. Does not include equivalent tons for fuel consumed by motive power units, other than steam locomotives.

² Not available.

TABLE XII.—Selected data from annual reports of class I line-haul railways, 1951 and 1950 by districts

Item	All districts		Eastern districts	
	Year ended Dec. 31—			
	1951	1950	1951	1950
Railway operating revenues (thousands).....	\$10,309,611	\$9,473,093	\$3,976,665	\$3,639,383
Railway operating expenses:				
Total (thousands).....	\$8,041,277	\$7,059,276	\$3,236,863	\$2,889,550
Maintenance of way and structures (thousands).....	\$1,478,766	\$1,287,265	\$528,423	\$467,100
Maintenance of equipment (thousands).....	\$1,945,022	\$1,707,936	\$802,586	\$730,043
Transportation—rail line (thousands).....	\$3,974,458	\$3,491,072	\$1,674,292	\$1,482,617
Net railway operating income (thousands).....	\$942,542	\$1,039,706	\$290,476	\$303,467
Freight-service statistics:				
Freight revenue (thousands).....	\$8,637,893	\$7,820,631	\$3,166,514	\$2,878,526
Revenue tons originated (thousands).....	1,477,402	1,354,196	538,002	502,239
Total revenue tons carried (thousands).....	2,790,817	2,570,153	1,231,147	1,148,872
Revenue tons carried 1 mile (thousands).....	646,620,439	588,577,756	212,736,203	198,354,262
Revenue per ton-mile (cents).....	1.34	1.33	1.49	1.45
Revenue ton-miles per mile road.....	2,860,589	2,598,236	3,989,773	3,713,659
Freight train-miles (thousands).....	528,573	514,971	164,685	161,888
Revenue ton-miles per train-mile.....	1,238	1,157	1,314	1,247
Loaded car-miles (thousands).....	20,614,551	19,644,438	6,477,496	6,273,636
Empty car-miles (thousands).....	10,601,562	10,139,511	3,284,914	3,207,412
Ton-miles revenue and nonrevenue freight per loaded car-mile.....	32.87	31.63	34.03	32.90
Average haul per road (miles).....	231.7	229.0	172.8	172.7
Passenger-service statistics:				
Passenger revenue (thousands).....	\$900,239	\$813,355	\$466,885	\$430,117
Passengers carried (thousands).....	483,833	486,194	341,783	348,523
Passenger-miles (thousands).....	34,613,546	31,760,001	15,935,490	15,198,926
Revenue per passenger-mile (cents).....	2.60	2.56	2.89	2.83
Passenger-miles per mile of road.....	156,771	143,285	311,015	293,489
Average journey per passenger (miles).....	71.54	65.32	46.62	43.61
Passenger-miles per train-mile.....	97	89	114	109

Item	Southern district		Western district	
	Year ended Dec. 31—			
	1951	1950	1951	1950
Railway operating revenues (thousands).....	\$2,107,061	\$1,861,990	\$4,306,885	\$3,971,720
Railway operating expenses:				
Total (thousands).....	\$1,540,142	\$1,333,181	\$3,264,272	\$2,836,545
Maintenance of way and structures (thousands).....	\$309,619	\$266,597	\$640,724	\$553,568
Maintenance of equipment (thousands).....	\$390,131	\$325,811	\$752,305	\$652,082
Transportation—rail line (thousands).....	\$710,995	\$626,537	\$1,589,171	\$1,381,918
Net railway operating income (thousands).....	\$248,941	\$256,030	\$403,125	\$480,209
Freight-service statistics:				
Freight revenue (thousands).....	\$1,820,995	\$1,597,858	\$3,650,384	\$3,344,247
Revenue tons originated (thousands).....	406,092	367,667	533,308	484,890
Total revenue tons carried (thousands).....	663,609	603,779	896,061	817,502
Revenue tons carried 1 mile (thousands).....	153,227,543	135,093,818	280,656,693	255,129,676
Revenue per ton-mile (cents).....	1.19	1.18	1.30	1.31
Revenue ton-miles per mile of road.....	3,329,789	2,925,647	2,215,657	2,010,454
Freight train-miles (thousands).....	116,157	113,137	247,731	239,946
Revenue ton-miles per train-mile.....	1,330	1,203	1,146	1,074
Loaded car-miles (thousands).....	4,315,824	4,014,968	9,821,231	9,356,434
Empty car-miles (thousands).....	2,457,583	2,250,717	4,859,065	4,681,382
Ton-miles revenue and nonrevenue freight per loaded car-mile.....	37.14	35.55	30.24	29.09
Average haul per road (miles).....	230.9	223.7	313.2	312.1
Passenger-service statistics:				
Passenger revenue (thousands).....	\$138,987	\$121,036	\$300,367	\$262,208
Passengers carried (thousands).....	59,314	58,026	82,736	79,645
Passenger-miles (thousands).....	5,536,702	4,924,866	13,141,354	11,636,209
Revenue per passenger-mile (cents).....	2.51	2.46	2.29	2.25
Passenger-miles per mile of road.....	124,211	110,260	105,149	92,939
Average journey per passenger (miles).....	93.35	84.87	158.83	146.10
Passenger-miles per train-mile.....	90	80	85	74

B. Statistics From Monthly and Other Periodical Reports of Carriers

TABLE A.—Analysis of operating revenues, expenses, and income, class 1 steam railways, excluding switching and terminal companies, 1952-51

Item	8 months, January to August, inclusive		Calendar year
	1952	1951	1951
Operating revenues:			
Freight.....	\$5, 623, 036, 966	\$5, 669, 798, 252	\$8, 634, 162, 673
Passenger.....	620, 482, 687	595, 055, 817	900, 310, 421
Mail.....	203, 834, 879	159, 553, 519	330, 804, 074
Express.....	83, 366, 691	50, 688, 516	82, 121, 026
All other.....	280, 278, 387	289, 309, 964	443, 273, 487
Total.....	6, 810, 999, 610	6, 764, 406, 068	10, 390, 672, 581
Percent of total:			
Freight.....	82. 56	83. 82	83. 10
Passenger.....	9. 11	8. 79	8. 66
Mail.....	2. 99	2. 36	3. 18
Express.....	1. 22	. 75	. 79
All other.....	4. 12	4. 28	4. 27
Operating expenses:			
Maintenance of way and structures.....	\$994, 960, 950	\$991, 621, 430	\$1, 478, 764, 252
Maintenance of equipment.....	1, 286, 230, 642	1, 301, 868, 588	1, 945, 025, 842
Traffic.....	146, 428, 771	140, 643, 598	211, 552, 834
Transportation.....	2, 572, 851, 335	2, 625, 750, 687	3, 974, 430, 253
General.....	211, 876, 117	202, 574, 733	305, 889, 182
All other.....	85, 999, 887	82, 898, 713	125, 586, 565
Total.....	5, 298, 347, 702	5, 345, 357, 749	8, 041, 248, 928
Percent of total:			
Maintenance of way and structures.....	18. 78	18. 55	18. 39
Maintenance of equipment.....	24. 28	24. 36	24. 19
Traffic.....	2. 76	2. 63	2. 63
Transportation.....	48. 56	49. 12	49. 43
General.....	4. 00	3. 79	3. 80
All other.....	1. 62	1. 55	1. 56
Railway tax accruals.....	\$782, 437, 887	\$754, 296, 780	\$1, 203, 226, 903
Equipment rents—debit.....	90, 501, 010	107, 990, 876	150, 187, 553
Joint facility rents—debit.....	28, 385, 177	29, 180, 924	44, 327, 125
Net railway operating income.....	611, 327, 834	527, 579, 739	942, 682, 072
Other income.....	142, 319, 827	151, 238, 601	273, 465, 512
Interest, rents, and other deductions.....	346, 971, 831	339, 135, 978	523, 091, 002
Net income.....	406, 675, 830	339, 682, 362	693, 056, 582

TABLE B.—*Selected operating averages in freight and passenger service of class I steam railways in the United States, 1952-51*

Item	8 months, January to August, inclusive		Calendar year
	1952	1951	1951
Average miles of road operated, freight service.....	224,761	225,133	224,897
Average miles of road operated, passenger service.....	133,564	139,932	139,067
Net ton-miles per mile of road per day.....	7,669	8,216	8,270
Percent of freight locomotives unserviceable.....	17.3	19.2	19.1
Percent of freight cars unserviceable.....	5.0	4.6	4.6
Percent of loaded of total car-miles.....	64.5	66.4	66.0
Percent east-bound or north-bound of loaded car-miles.....	55.5	55.2	55.4
Car-miles per car-day.....	42.0	43.7	43.8
Net ton-miles per car-day.....	882	949	954
Net ton-miles per loaded car-mile.....	32.6	32.8	33.0
Car-miles per train-mile.....	61.2	59.4	59.8
Gross ton-miles per train-mile (excluding locomotives and tenders).....	2,805	2,756	2,774
Net ton-miles per train-mile (including nonrevenue tons).....	1,287	1,291	1,301
Average miles per hour, trains in freight service.....	17.6	16.9	17.0
Pounds of coal per 1,000 gross ton-miles (including locomotives and tenders).....	116	118	118
Average cost of coal per ton (including freight charges).....	\$5.32	\$5.30	\$5.29
Revenue per ton-mile.....	\$0.01407	\$0.01328	\$0.01336
Average haul per revenue ton per railroad.....	237.1	231.1	230.8
Number of freight-train miles.....	330,502,417	352,860,383	528,848,340
Number of passenger-train miles.....	230,470,193	237,885,869	355,195,724
Number of passenger-train car-miles.....	2,256,307,082	2,275,143,169	3,414,962,568
Passenger-train cars per train.....	9.79	9.56	9.61
Revenue per passenger per mile:			
Including commutation passengers.....	\$0.0266	\$0.0259	\$0.0260
Excluding commutation passengers.....	\$0.0279	\$0.0275	\$0.027g

TABLE C.—*Average number of employees and total compensation, by groups of employees, class I steam railways, excluding switching and terminal companies, 1952-51*

Groups of employees	Calendar year 1951		8 months, January to August, inclusive	
	Average number of employees middle of month	Total compensation	Average number of employees middle of month	
			1952	1951
I. Executives, officials, and staff assistants.....	15,548	\$139,465,950	15,699	15,509
II. Professional, clerical, and general.....	210,696	839,356,589	208,968	210,600
III. Maintenance of way and structures.....	251,150	828,275,320	239,031	252,172
IV. Maintenance of equipment and stores.....	369,073	1,402,888,754	344,893	372,984
V. Transportation (other than train, engine, and yard).....	149,432	578,841,425	142,669	149,396
VI. (a) Transportation (yardmaster, switch tenders, and hostlers).....	16,180	88,344,831	16,057	16,195
VI. (b) Transportation (train and engine service).....	263,921	1,397,421,008	253,338	263,981
All employees.....	1,276,000	5,274,593,877	1,220,655	1,280,837

TABLE D.—*Carloads and tons of revenue freight originated and freight revenue, by commodities, calendar year 1951, class I steam railways*

Commodity groups	Number of carloads	Number of tons (2,000 pounds)	Freight revenue
Products of agriculture:			
Wheat.....	697,421	37,400,616	\$228,226,806
Corn.....	377,605	19,496,565	106,667,036
Other grains.....	361,173	17,205,999	111,621,300
Flour, wheat.....	265,350	9,391,583	65,271,179
Other mill products.....	288,272	8,627,917	53,976,624
Cotton in bales.....	222,648	4,055,092	49,223,173
Citrus fruits.....	96,476	2,028,030	63,458,346
Other fresh fruits.....	245,867	3,353,995	104,678,037
Potatoes, other than sweet.....	214,322	4,083,975	73,625,962
Other fresh vegetables.....	228,149	2,974,404	105,430,373
Sugar beets.....	160,829	7,101,015	7,608,320
All other.....	804,602	25,181,223	190,094,983
Total.....	3,962,714	140,810,414	1,159,882,144
Animals and products:			
Live animals.....	485,895	5,297,676	83,996,397
Meats and other edible packing-house products.....	328,347	5,083,246	132,772,347
Poultry, live and dressed.....	10,265	177,352	6,101,550
Dairy products.....	39,892	743,734	15,842,657
Wool and mohair.....	16,797	265,912	6,931,929
Hides and leather.....	30,164	786,748	14,810,967
All other.....	64,257	2,007,516	21,681,367
Total.....	975,617	14,362,184	282,137,214
Products of mines:			
Anthracite coal ¹	607,790	34,809,174	111,522,165
Bituminous coal.....	6,569,198	385,681,773	1,216,944,839
Coke.....	729,893	26,332,788	81,238,390
Iron ore.....	2,007,209	126,458,191	236,230,604
Other ores and concentrates.....	212,074	12,273,865	57,690,896
Gravel and sand.....	1,237,852	73,145,480	106,899,484
Stone and rock: Broken, ground, and crushed.....	947,547	55,065,886	80,781,484
Fluxing stone and raw dolomite.....	317,884	20,677,756	34,072,260
Crude petroleum.....	128,332	4,756,252	17,934,308
Phosphate rock.....	358,054	20,820,127	65,422,691
All other.....	1,128,512	59,351,902	227,365,996
Total.....	14,244,345	819,373,194	2,236,103,117
Products of forests:			
Logs, butts, and bolts.....	403,910	14,628,951	18,781,317
Posts, poles, and piling, wooden.....	130,520	3,804,438	30,951,799
Pulpwood.....	738,607	29,663,202	61,664,328
Lumber, shingles, and lath.....	854,371	27,436,359	413,299,724
All other.....	378,926	10,988,515	97,004,576
Total.....	2,506,334	86,521,465	621,701,744
Manufacturers and miscellaneous:			
Refined petroleum products.....	1,379,546	39,501,753	291,500,588
Vegetable oils.....	97,716	2,927,450	39,041,780
Chemicals.....	591,608	24,303,275	256,471,558
Fertilizers, n. o. s.....	323,402	13,058,964	65,978,281
Metals and alloys, other than iron and steel.....	130,639	5,351,721	85,524,483
Pig iron.....	145,962	8,062,557	34,429,473
Semi-finished iron and steel.....	369,463	21,080,470	87,031,079
Manufactured iron and steel.....	1,477,063	54,486,448	621,239,837
Vehicles and parts, motor and other.....	923,306	13,166,441	366,536,841
Cement, natural and portland.....	597,153	29,911,842	134,275,560
Paper and paper products.....	1,076,987	25,868,486	361,283,123
Alcoholic beverages.....	178,562	5,142,130	89,434,454
Sugar.....	122,516	5,074,684	45,135,594
Food products, n. o. s., in cans and packages, not frozen.....	411,535	11,077,807	180,156,899
Feed, animal and poultry, n. o. s.....	598,749	17,920,055	89,600,476
Containers, metal, wooden, and paper.....	584,960	7,263,160	105,513,329
Scrap iron and steel.....	584,942	24,507,355	120,748,786
All other.....	3,300,966	92,152,173	1,225,670,935
Total.....	12,895,075	400,856,771	4,199,573,006
Forwarder traffic.....	360,682	5,098,575	174,007,119
Grand total, carload traffic.....	34,944,787	1,467,022,603	8,673,404,344
All l. c. l. freight.....		10,378,920	351,432,485
Grand total, carload and l. c. l.....		1,477,401,523	9,024,836,829

¹ Excludes coal to breakers and washeries.

TABLE E.—*Summary of casualties to persons on steam railways in the United States, for the years ended Dec. 31, 1951, 1950, 1949, 1948, and 1947*

Class of persons	Number of persons									
	Killed					Injured				
	1951	1950	1949	1948	1947	1951	1950	1949	1948	1947
1. Trespassers.....	1,049	1,135	1,180	1,339	1,368	816	938	913	955	1,006
2. Employees:										
Trainmen on duty.....	219	175	212	299	357	12,226	10,995	10,336	14,559	16,744
Other employees.....	116	118	141	178	255	1,584	1,482	1,532	1,697	2,171
Total employees.....	335	293	353	477	612	13,810	12,477	11,868	16,256	18,915
3. Passengers on trains.....	142	173	26	43	65	3,134	3,350	2,498	3,518	4,156
4. Travelers not on trains.....	2	4	6	9	9	43	62	43	82	81
5. Persons carried under contract.....	10	-----	5	7	14	207	230	219	307	339
6. Other nontrespassers.....	1,669	1,652	1,593	1,697	1,876	4,597	4,712	4,062	4,580	4,648
Total, train and train-service accidents (1 to 6).....	3,207	3,257	3,163	3,572	3,944	22,607	21,769	19,603	25,698	29,145
7. Casualties in nontrain accidents.....	151	141	144	196	221	11,830	11,486	12,508	17,393	19,652
Total, 1 to 7.....	3,358	3,398	3,307	3,768	4,165	34,437	33,255	32,111	43,091	48,797
8. Casualties at grade crossings ¹	1,578	1,576	1,507	1,612	1,790	4,335	4,368	3,774	4,255	4,251
9. Casualties excluded from all totals ²	101	88	119	115	120	17	12	12	16	22

¹ Included in total for items 1 to 6, and distributed under various heads, chiefly item 6.² Figures relate to suicides, persons mentally deranged, and persons attempting to escape custody.

TABLE F.—*Revenues, expenses, and income of class I motor carriers¹ of property for the calendar year 1951 compared with those of the same carriers for 1950²*

Item	Total carriers reported	
	1951	1950
<i>Intercity carriers</i>		
Number of carriers represented.....	1, 653	1, 653
Revenues:		
Freight revenue—Intercity—Common carrier.....	\$2, 486, 076, 678	\$2, 196, 785, 012
Freight revenue—Intercity—Contract carrier.....	149, 815, 689	147, 971, 465
Freight revenue—Local service.....	28, 044, 320	25, 384, 374
Revenue—Transportation for other class I motor carriers.....	19, 161, 461	18, 925, 741
Other operating revenue.....	12, 753, 043	10, 065, 830
Total operating revenues.....	2, 695, 851, 191	2, 399, 132, 422
Expenses:		
Equipment maintenance and garage expense.....	305, 754, 265	254, 329, 520
Transportation expense.....	1, 277, 392, 682	1, 145, 022, 231
Terminal expense.....	296, 062, 442	251, 445, 435
Traffic expense.....	66, 090, 110	56, 664, 400
Insurance and safety expense.....	139, 326, 026	122, 994, 222
Administrative and general expense.....	175, 824, 249	150, 895, 367
Total operation and maintenance expenses.....	2, 260, 449, 774	1, 981, 351, 175
Depreciation expense.....	109, 666, 112	88, 224, 271
Depreciation adjustment.....	4, 838, 505	3, 241, 954
Amortization chargeable to operations.....	124, 813	116, 383
Operating taxes and licenses.....	122, 835, 958	104, 469, 470
Operating rents—net.....	82, 560, 856	60, 440, 993
Total expenses.....	2, 570, 799, 008	2, 231, 360, 338
Operating ratio (percent).....	95. 4	93. 0
Net operating revenue.....	\$125, 052, 183	\$167, 772, 084
Other income.....	9, 297, 819	8, 535, 406
Other deductions.....	17, 797, 630	13, 970, 636
Net income before income taxes.....	116, 552, 372	162, 336, 854
Net income after income taxes ³	58, 902, 873	99, 580, 364
<i>Local carriers</i>		
Number of carriers represented.....	382	382
Total operating revenues.....	\$274, 695, 338	\$242, 736, 151
Total expenses.....	263, 115, 146	232, 403, 816
Operating ratio (percent).....	95. 8	95. 7
Net operating revenues.....	\$11, 580, 192	\$10, 332, 335
Other income.....	6, 776, 812	5, 884, 577
Other deductions.....	2, 248, 106	1, 593, 802
Net income before income taxes.....	16, 108, 898	14, 623, 110
Net income after income taxes ³	10, 487, 049	10, 107, 416

¹ Class I motor carriers are those having gross operating revenues of \$200,000 or over annually.² This table does not include reports of 124 carriers that failed to furnish completed reports. The total figures for these 124 carriers amounted to the following for the 12-month period: Operating revenues, \$66,865,767; operation and maintenance expenses, \$53,809,159; other expenses, \$8,749,891; total expenses, \$62,559,050; net operating revenue, \$4,306,717; net income before income taxes, \$3,972,575; net income after income taxes, \$2,352,778.³ Net income is overstated to the extent that income taxes are reported by corporations only. Income taxes of sole proprietorships and partnerships involve factors that do not arise from motor-carrier operations, and, therefore, are not reported to the Commission.

TABLE G.—Revenues, expenses, and income of class I motor carriers ¹ of passengers for the calendar year 1951 compared with those of the same carriers for 1950 ²

Item	Total carriers reported	
	1951	1950
<i>Intercity carriers</i>		
Number of carriers represented.....	169	169
Operating revenues:		
Passenger revenue—Intercity schedules.....	\$346,604,812	\$314,787,524
Passenger revenue—Local and suburban schedules.....	20,917,903	19,353,905
Passenger revenue—Charter or special service.....	14,907,639	11,981,527
Other operating revenue.....	17,338,378	15,319,147
Total operating revenues.....	399,768,732	361,442,103
Operating expenses:		
Equipment maintenance and garage expense.....	74,054,706	66,296,140
Transportation expense.....	119,958,960	108,811,861
Station expense.....	41,550,759	37,095,916
Traffic, solicitation, and advertising expense.....	12,433,470	11,332,364
Insurance and safety expense.....	15,048,353	14,486,668
Administrative and general expense.....	26,496,477	25,908,503
Total operation and maintenance expenses.....	289,542,725	263,931,452
Depreciation expense.....	26,773,438	28,220,143
Amortization chargeable to operations.....	27,533	54,746
Operating taxes and licenses.....	31,447,169	29,681,814
Operating rents—net.....	4,441,889	4,215,507
Total expenses.....	352,232,754	326,103,662
Operating ratio (percent).....	88.1	90.2
Net operating revenue.....	\$47,535,978	\$35,338,441
Other income.....	5,458,269	1,965,409
Other deductions.....	2,561,453	2,965,630
Net income before income taxes.....	50,432,794	34,338,220
Net income after income taxes ³	25,266,937	18,165,660
<i>Local carriers</i>		
Number of carriers represented.....	68	68
Total operating revenues.....	\$79,092,920	\$77,698,055
Total expenses.....	77,854,372	73,976,258
Operating ratio (percent).....	98.4	95.2
Net operating revenue.....	\$1,238,548	\$3,721,797
Other income.....	1,133,089	1,071,778
Other deductions.....	1,105,191	1,546,513
Net income before income taxes.....	1,266,446	3,247,062
Net income after income taxes ³	438,738	1,987,944

¹ Class I motor carriers are those having average gross operating revenues of \$200,000 or over annually.

² This table does not include the reports of six carriers that failed to furnish complete reports. The total figures for these six carriers amounted to the following for the 12-month period: Operating revenues, \$1,639,122; operation and maintenance expenses, \$1,327,547; other expenses, \$348,753; total expenses, \$1,676,300; net operating revenue, *d* \$37,178; net income before income taxes, *d* \$48,219; net income after income taxes, *d* \$51,726.

³ Net income is overstated to the extent that income taxes are reported by corporations only. Income taxes of sole proprietorships and partnerships involve factors that do not arise from motor-carrier operations and, therefore, are not reported to the Commission.

TABLE H.—*Revenues, expenses, and statistics of freight forwarders for the years 1951 and 1950*¹

Item	Total carriers reported	
	1951	1950
Number of forwarders represented.....	59	59
Operating revenues:		
Transportation revenues.....	\$333, 904, 532	\$285, 603, 668
Transportation purchased—Dr.:		
Railroad transportation.....	177, 229, 120	150, 750, 907
Motor transportation.....	42, 224, 121	34, 445, 630
Water transportation.....	1, 828, 376	2, 528, 708
Pickup, delivery, and transfer service.....	34, 152, 865	30, 474, 603
Other transportation purchased.....	95, 318	177, 789
Total transportation purchased.....	255, 529, 800	218, 377, 637
Forwarder revenue from transportation.....	78, 374, 732	67, 226, 031
Incidental revenues.....	1, 745, 600	1, 531, 005
Total operating revenues.....	80, 120, 332	68, 757, 036
Operating expenses:		
Salaries, wages, and expenses of employees.....	44, 199, 771	36, 410, 566
Paid to others for services rendered.....	15, 873, 865	13, 474, 691
Operating rents.....	2, 607, 857	2, 383, 910
Communication and postage.....	2, 724, 496	2, 349, 689
Pay-roll taxes.....	1, 631, 304	1, 363, 754
All other operating expense.....	7, 305, 056	5, 712, 966
Total operating expenses.....	74, 342, 349	61, 695, 576
Income items:		
Revenue from forwarder operations.....	5, 777, 983	7, 061, 460
Transportation tax accruals.....	248, 469	144, 010
Revenues, less taxes, from forwarder operations.....	5, 529, 514	6, 917, 450
Other income.....	2, 141, 550	1, 636, 207
Total income.....	7, 671, 064	8, 553, 657
Miscellaneous deductions from income.....	2, 067, 041	1, 654, 526
Net income before fixed charges and income taxes.....	5, 604, 023	6, 899, 131
Fixed charges:		
Interest on long-term debt.....	8, 333	9, 496
Other fixed charges.....	18, 495	9, 000
Total fixed charges.....	26, 828	18, 496
Net income before provisions for income taxes.....	5, 577, 195	6, 880, 635
Provisions for income taxes.....	2, 183, 172	2, 542, 051
Net income.....	3, 394, 023	4, 338, 584
Statistics:		
Tons of freight received from shippers.....	4, 835, 949	4, 338, 780
Number of shipments received from shippers.....	20, 536, 877	19, 597, 742

¹ Confined to forwarders having gross revenues of \$100,000 or more per annum.

TABLE I.—*Selected statistics of private car owners,¹ year 1951*

Item	Refrigerator cars	Tank cars		Other cars ²	Total
		Petroleum	Other		
Cars owned at close of year	110, 006	116, 766	22, 853	30, 904	280, 529
Serviceable cars	103, 991	113, 381	22, 185	30, 455	270, 012
Unserviceable cars	6, 015	3, 385	668	449	10, 517
Miles made by owned cars (thousands):					
Loaded	1, 996, 415	972, 860	168, 129	72, 893	3, 210, 297
Empty	1, 444, 350	959, 495	166, 621	67, 800	2, 638, 266
Not separable	227, 044	50, 881	14, 732	4, 104	296, 761
Total	3, 667, 809	1, 983, 236	349, 482	144, 797	6, 145, 324
Revenue receivable, on—(thousands):					
Car mileage basis	\$107, 631	\$43, 518	\$7, 844	\$2, 638	\$161, 631
Car rental basis	2, 854	11, 786	569	10, 590	25, 799
Other car service basis	38	22	150	2, 608	2, 818
Total	110, 523	55, 326	8, 563	15, 836	190, 248

¹ Confined to owners of 10 or more cars. Compiled from reports of 230 owners.² Includes such cars as stock, gondola, hopper, air dump, box, cradle, flat, vat, et cetera.TABLE J.—*Selected financial and operating data of oil pipeline companies, 1951, 1950, and 1949*

Item	1951	1950	1949
Miles of line operated:			
Gathering lines	47, 629	47, 593	47, 212
Trunk lines	83, 828	80, 996	77, 772
Investment in carrier property	\$1, 821, 880, 388	\$1, 655, 972, 861	\$1, 497, 578, 988
Capital stock ¹	\$281, 461, 485	\$236, 078, 523	\$235, 699, 492
Funded debt unmatured ¹	\$477, 798, 487	\$424, 237, 743	\$312, 953, 715
Accrued depreciation—carrier property ²	\$765, 114, 863	\$724, 991, 024	\$696, 760, 831
Operating revenues	\$523, 973, 195	\$441, 627, 281	\$376, 452, 116
Operating expenses	\$290, 143, 933	\$254, 701, 469	\$249, 368, 200
Pipeline taxes:			
U. S. Government taxes	\$125, 038, 779	\$82, 464, 111	\$49, 074, 907
Other than U. S. Government taxes	\$17, 525, 783	\$15, 414, 366	\$14, 726, 770
Pipeline operating income	\$91, 264, 700	\$89, 047, 335	\$63, 282, 239
Net income	\$82, 006, 208	\$81, 303, 156	\$57, 743, 412
Dividend appropriations ¹	\$26, 718, 871	\$51, 235, 495	\$26, 671, 655
Number of barrels of oil received into system	3, 216, 502, 257	2, 766, 409, 702	2, 461, 528, 918
Number of barrel-miles (trunk lines):			
Crude oil (thousands)	694, 723, 304	577, 054, 200	497, 178, 743
Refined oils (thousands)	115, 762, 184	106, 648, 715	92, 562, 756
Total employees:			
Average number	27, 175	26, 222	27, 386
Compensation	\$128, 200, 556	\$114, 556, 137	\$116, 856, 618

¹ Excludes data for 12 companies in 1951; 13 companies in 1950; and 13 companies in 1949, as the annual reports filed by these companies relate to pipeline departments of large oil companies and these items are not segregated for the pipeline departments.² Includes "Amortization reserve" as follows: 1951, \$65,099,731; 1950, \$69,785,479; and 1949, \$73,051,421.

TABLE K.—*Revenues and traffic of carriers by water, 1951 and 1950*¹

Item	1951	1950
Freight revenues.....	\$247,556,295	\$246,459,324
Number of tons of revenue freight carried.....	84,422,294	79,236,070
Passenger revenue.....	\$10,102,947	\$11,635,190
Number of revenue passengers carried.....	5,652,122	7,394,703

¹ Compiled from quarterly reports of 118 carriers of classes A and B.TABLE L.—*Selected financial and operating data of electric railways, 1951, 1950, and 1949*

Item	1951	1950	1949
Miles of road operated.....	1,780	1,859	1,986
Investment in road and equipment.....	\$256,247,876	\$264,209,038	\$256,077,660
Capital stock.....	\$95,282,049	\$95,669,517	\$94,744,283
Unmatured funded debt.....	\$39,431,982	\$41,147,324	\$39,472,580
Accrued depreciation—road and equipment.....	\$61,751,846	\$61,710,994	\$54,481,345
Railway operating revenues:			
Freight revenue.....	\$39,472,451	\$36,417,037	\$31,917,985
Passenger revenue.....	\$29,367,587	\$30,006,990	\$30,273,531
All other revenues.....	\$12,364,801	\$12,317,956	\$7,990,232
Total railway operating revenues.....	\$81,204,839	\$78,741,983	\$70,181,748
Total railway operating expenses.....	\$71,242,571	\$68,512,110	\$63,512,982
Taxes assignable to railway operations:			
Other than U. S. Government taxes.....	\$2,663,871	\$2,654,242	\$2,215,868
U. S. Government taxes.....	\$4,423,254	\$4,224,294	\$3,594,015
Operating income.....	\$2,987,946	\$3,450,529	\$918,756
Net income.....	\$2,319,423	\$2,724,117	\$28,856
Dividends declared.....	\$1,585,625	\$1,863,981	\$1,237,276
Employees:			
Average number.....	11,836	12,234	11,887
Compensation.....	\$45,690,445	\$42,972,332	\$40,457,094

APPENDIX D

AUTHORIZATIONS UNDER VARIOUS SECTIONS OF THE INTERSTATE COMMERCE AND TRANSPORTATION ACTS, AND LOANS UNDER THE RECONSTRUCTION FINANCE CORPORATION ACT

*Certificates of convenience and necessity for construction of lines of railroad under
section 1 (18) of the Interstate Commerce Act, as amended*

Name of applicant	Location of line	Miles
Belvidere Delaware R. Co., and Pennsylvania R. Co.	Warren County, N. J., and Northampton County, Pa.	0. 253
Central of Georgia Ry. Co.	Floyd County, Ga.	2. 900
Duluth, S. S. & A. R. Co.	Ontonagon County, Mich.	14. 000
Great Northern Ry. Co.	Spokane County, Wash.	2. 660
Nashville, C. & St. L. Ry.	Davidson County, Tenn.	6. 040
New York, C. & St. L. R. Co.	Delaware County, Ind.	1. 017
Tennessee Central Ry. Co.	Putnam County, Tenn.	5. 563
Toledo, P. & W. R. and Illinois Terminal R.	Tazewell County, Ill.	. 114
Total number of miles.		32. 547

	<i>Miles</i>
13 applications filed involving	72. 575
8 certificates issued authorizing construction of	32. 547
2 applications denied involving	17. 400
4 applications dismissed involving	25. 312
Authorized since effective date of act	10, 958
Portion thereof actually constructed	7, 943
Portion thereof deferred or abandoned	2, 897
Portion in which time for construction has not expired	118

*Certificates of convenience and necessity for abandonment of lines of railroad or the
operation thereof, issued under section 1 (18) of the Interstate Commerce Act, as
amended*

Name of applicant	Location of line	Miles
Allegheny & W. Ry. Co., Buffalo, R. & P. Ry. Co., and Baltimore & O. R. Co.	Armstrong County, Pa.	2. 010
Apalachicola N. R. Co.	Gulf County, Fla.	. 871
Artemus-Jellico R. Co.	Knox County, Ky.	11. 400
Atlantic Coast Line R. Co.	Montgomery and Crenshaw Counties, Ala.	33. 000
Do.	Charleston County, S. C.	17. 850
Do.	Putnam County, Fla.	. 890
Do.	Barnwell County, S. C.	7. 060
Boston & Maine R.	York County, Maine	16. 700
Buffalo, R. & P. Ry. Co., and Baltimore & O. R. Co.	Indiana County, Pa.	. 800
Central of Georgia Ry. Co.	Jefferson and St. Clair Counties, Ala.	11. 550
Chesapeake & O. Ry. Co.	Lake County, Ind., and Cook County, Ill.	10. 980
Do.	Floyd County, Ky.	1. 628
Chicago & N. W. Ry. Co.	Sheboygan and Fond du Lac Counties, Wis.	28. 110
Do.	Carroll and Audubon Counties, Iowa	16. 462
Chicago, B. & Q. R. Co.	Appanoose County, Iowa and Putnam County, Mo.	24. 270
Do.	Henderson and Mercer Counties, Ill.	17. 690
Chicago G. W. Ry. Co.	Goodhue County, Minn.	5. 457
Chicago, M., St. P. & P. R. Co.	Goodhue and Wabasha Counties, Minn.	18. 200
Do.	Carroll County, Ill.	8. 300
Do.	{Wabasha County, Minn., and Buffalo County, Wis.}	2. 276
Chicago, R. I. & P. R. Co.	Rock Island and Mercer Counties, Ill.	13. 310

Certificates of convenience and necessity for abandonment of lines of railroad or the operation thereof, issued under section 1 (18) of the Interstate Commerce Act, as amended—Continued

Name of applicant	Location of line	Miles
Chicago, R. I. & P. R. Co., and Atchison, T. & S. F. Ry. Co.	Oklahoma County, Okla.	10. 000
Colorado & S. E. R. Co.	Las Animas County, Colo.	4. 930
Colorado & S. Ry. Co.	do	1. 880
Colorado & Wyoming Ry. Co.	do	11. 562
Dawson Ry. Co. and Southern Pac. Co.	Colfax County, N. Mex.	18. 200
Denver & R. G. W. R. Co.	Pueblo County, Colo.	. 294
Do	Montrose County, Colo.	9. 460
Do	Ouray County, Colo.	10. 260
Des Moines & C. I. Ry. Co.	Dallas County, Iowa	16. 670
Elgin, J. & E. Ry. Co.	Grundy County, Ill.	5. 081
Great Northern Ry. Co.	Kittson County, Minn.	1. 132
Do	Spokane County, Wash.	22. 870
Gulf M. & O. R. Co.	Alcorn, Tishomingo, and Itawamba Counties, Miss., and Franklin, Marion, Winston, Walker, and Jefferson Counties, Ala.	171. 730
Do	Greene and Jersey Counties, Ill.	20. 910
Helena & N. W. Ry.	Phillips, Lee, St. Francis, Monroe, and Woodruff Counties, Ark.	53. 480
Huntingdon & B. T. M. R. & C. Co., successor trustee.	Huntingdon and Bedford Counties, Pa.	13. 760
Illinois Central R. Co.	Cook County, Ill.	. 470
Do	Saline County, Ill.	3. 349
Illinois Terminal R. Co.	Vermilion County, Ill.	15. 354
Do	Madison County, Ill.	2. 132
Do	do	12. 720
Lehigh Valley R. Co.	Carbon County, Pa.	1. 366
Ligonier Valley R. Co.	Westmoreland County, Pa.	16. 000
Lorain & S. R. Co.	Lorain County, Ohio	. 822
Los Angeles & S. L. R. Co., and Union Pac. R. Co.	Utah and Tooele Counties, Utah	23. 649
Louisville & N. R. Co.	Shelby, Spencer, and Nelson Counties, Ky.	26. 730
Maine Central R. Co.	Androscoggin and Oxford Counties, Maine	35. 920
Minneapolis & St. L. Ry. Co.	Hancock County, Iowa	4. 270
Do	Story County, Iowa	5. 190
Murfreesboro & N. R. Co.	Pike, Howard, and Hempstead Counties, Ark.	14. 967
Nacogdoches & S. E. R. Co.	Nacogdoches County, Tex.	12. 000
New York Central R. Co.	Jefferson County, N. Y.	15. 750
New York, C. & St. L. R. Co.	Delaware County, Ind.	. 903
New York, N. H. & H. R. Co.	Norfolk County, Mass.	2. 110
Do	do	1. 030
Norfolk S. Ry. Co.	Richmond County, N. C.	6. 220
Do	Montgomery and Randolph Counties, N. C.	23. 158
Northern Pac. Ry. Co.	St. Louis County, Minn.	2. 613
Oregon S. L. R. Co., and Union Pac. R. Co., lessee.	Bingham County, Idaho	3. 365
Pennsylvania, O. & D. R. Co., and Pennsylvania R. Co.	Warren County, Ohio	9. 280
Pennsylvania R. Co.	Westmoreland County, Pa.	1. 380
Peoria & P. U. Ry. Co.	Peoria County, Ill.	1. 810
Peoria, H. C. & W. Ry. Co., and Peoria T. Co.	do	3. 600
Petaluma & S. R. R. Co.	Sonoma County, Calif.	5. 430
Reading Co.	Adams County, Pa.	. 140
Do	Berks County, Pa.	. 806
Do	Schuylkill County, Pa.	1. 040
Do	do	. 362
Rio Grande S. R. Co., receiver	Ouray, San Miguel, Dolores, Montezuma, and La Plata Counties, Colo.	172. 400
Rock Island S. Ry. Co.	Rock Island, Mercer, and Warren Counties, Ill.	56. 690
Sanford & E. R. Corp.	Strafford County, N. H. and York County, Maine.	15. 577
Seaboard Air Line R. Co.	De Soto, Charlotte and Lee Counties, Fla.	64. 960
Southern Pac. R. Co., and Southern Pac. Co.	Fresno and Kings Counties, Calif.	15. 409
Southern Ry. Co.	Jefferson County, Ala.	7. 900
Do	Meriwether County, Ga.	. 053
Springfield Term. Ry. Co.	Sangamon County, Ill.	4. 173
Sugar Land Ry. Co., trustee	Fort Bend County, Tex.	3. 653
Trans Florida C. R. Co.	Indian River County, Fla.	15. 710
Verde T. & S. R. Co.	Yavapai County, Ariz.	11. 000
Virginian Ry. Co.	Kanawha and Fayette Counties, W. Va.	31. 000
Western Maryland Ry. Co.	Webster County, W. Va.	1. 067
Do	Grant County, W. Va., and Garrett County, Md.	2. 598
Wyoming Ry. Co., receivers	Sheridan and Johnson Counties, Wyo.	28. 600
Total number of miles		1,305. 753

	<i>Miles</i>
91 applications filed involving-----	1, 294. 134
84 certificates issued permitting abandonment of-----	1, 305. 753
4 applications denied in whole or in part involving-----	98. 588
5 applications dismissed involving-----	40. 930
Abandonments permitted since effective date of act-----	37, 560

Certificates of convenience and necessity for acquisition and/or operation of lines of railroad issued under section 1 (18) of the Interstate Commerce Act, as amended

Name of applicant	Location of line	Miles
Atchison, T. & S. F. Ry. Co., Chicago, B. & Q. R. Co., Chicago, R. I. & P. R. Co., and Missouri Pac. R. Co. trustee.	Atchison County, Kans., and Buchanan County, Mo.	0. 298
Atlantic Coast Line R. Co.-----	Barnwell County, S. C.	6. 410
Baltimore & O. R. Co.-----	Webster, Randolph and Pocahontas Counties, W. Va.	27. 570
Chicago, B. & Q. R. Co.-----	Jackson and Clay Counties, Mo.	1. 100
Do-----	Fulton County, Ill.	9. 100
Chicago, R. I. & P. R. Co. and Atchison, T. & S. F. Ry. Co.	Oklahoma County, Okla.	7. 000
Cotton Plant-Fargo Ry. Co.-----	Woodruff and Monroe Counties, Ark.	6. 000
Duluth, S. S. & A. R. Co.-----	Chippewa County, Mich.	. 526
New York, N. H., & H. R. Co.-----	Fairfield County, Conn.	1. 000
Owasco River Ry.-----	Cayuga County, N. Y.	. 874
Rockdale, S. & S. R. Co.-----	Milam County, Tex.	6. 710
St. Louis, B. & M. Ry. Co., trustee-----	Cameron County, Tex.	8. 259
Total number of miles.-----		74. 847

	<i>Miles</i>
10 applications filed involving-----	25. 122
12 certificates issued involving-----	74. 847

Authorizations under section 5 (2) of the Interstate Commerce Act, as amended, involving railroad properties

Acquiring carrier	Owning carrier	Miles	How acquired
Aluminum Co. of America-----	Rockdale, S. & S. R. Co.-----	6. 710	Ownership of stock.
Atlantic & E. C. Ry. Co.-----	Atlantic & N. C. R. Co.-----	94. 000	Lease.
Atlantic Coast Line R. Co., Savannah U. S. Co., Seaboard Air Line R. Co., and Southern Ry. Co.	Savannah U. S. Co.-----	7. 459	Joint use.
Central Vermont Ry., Inc.-----	New London N. R. Co.-----	135. 900	Purchase.
Chesapeake & O. Ry. Co.-----	Erie R. Co., Chicago & W. I. R. Co., Belt Ry. Co. of Chicago, and Illinois Central R. Co.	9. 460	Trackage rights.
Chicago & E. I. R. Co.-----	Jefferson SW. R.-----	11. 600	Ownership of stock.
Chicago, B. & Q. R. Co.-----	Union Pac. R. Co.-----	23. 700	Trackage rights.
Do-----	Missouri Pac. R. Co.-----	. 170	Do.
Chicago G. W. Ry. Co.-----	Chicago, B. & Q. R. Co.-----	. 880	Do.
Chicago, M. St. P. & P. R. Co.	Chicago, B. & Q. R. Co., and Winona B. Ry. Co.	37. 535	Do.
Chicago, R. I. & P. R. Co.-----	Peoria & B. V. R. Co.-----	47. 000	Ownership of stock.
Do-----	Burlington M. & N. W. Ry. Co.	5. 890	Purchase.
Chicago, R. I. & P. R. Co., and Atchison, T. & S. F. Ry. Co.	Atchison, T. & S. F. Ry. Co., and Chicago, R. I. & P. R. Co.	8. 400	Trackage rights.
Detroit, T. & I. R. Co., Wabash R. Co., Pennsylvania Co., and Pennsylvania R. Co.	Springfield S. R. Co.-----	3. 000	Ownership of stock.
Duluth, S. S. & A. R. Co., and Minneapolis, St. P. & S. S. M. R. Co.	Sainte Marie U. D. Co.-----	. 526	Purchase.
Fort Worth & D. Ry. Co.-----	Fort Worth & D. S. P. Ry. Co., Fort Worth & D. N. Ry. Co., Fort Worth & D. T. Ry. Co., Wichita Valley Ry. Co., Wichita Valley R. Co., Abilene & N. Ry. Co., and Stamford & N. W. Ry. Co.	550. 130	Ownership of stock and merger.

*Authorizations under section 5 (2) of the Interstate Commerce Act, as amended,
involving railroad properties—Continued*

Acquiring carrier	Owning carrier	Miles	How acquired
Great Northern Ry. Co.....	Oregon-Washington R. & N. Co. and Union Pac. R. Co., lessee.	32.300	Trackage rights.
Gulf, C. & S. F. Ry. Co.....	Texas & Pac. Ry. Co.....	30.710	Do.
Gulf, M. & O. R. Co.....	Louisville & N. R. Co.....	55.000	Do.
Illinois Central R. Co.....	Jefferson SW. R. Co. (of Illinois).	11.600	Ownership of stock.
Louisiana M. Ry. Co.....	Missouri Pac. R. Co.....	23.650	Lease and trackage rights.
Missouri-Kansas-Texas R. Co. of Texas.	Texas & N. O. R. Co.....	1.998	Joint use.
Missouri Pac. R. Co., trustee...	Jefferson SW. R. Co. (of Illinois).	11.600	Ownership of stock.
New York Central R. Co.....	West Shore R. Co., New Jersey J. R. Co., New York & F. L. R. Co., Walkill V. R. Co., Toledo & Ohio Central Ry. Co., Lake Erie, A. & W. R. Co., and Federal Valley R. Co.	1,248.550	Merger.
New York, C. & St. L. R. Co..	Chesapeake & Ohio Ry. Co..	.222	Joint ownership.
New York Con. R. Co.....	Long Island R. Co., trustee...	11.530	Trackage rights.
New York N. H. & H. R. Co. and New York Central R. Co.	Boston T. Co.....	6.150	Ownership of stock and joint use.
Northern Pac. Ry. Co.....	Oregon-Washington R. & N. Co., and Union Pac. R. Co.	11.247	Joint ownership and lease.
Olin Industries, Inc. ¹	Arkansas & Louisiana Missouri Ry. Co., Mansfield Ry. & T. Co., Louisiana & P. B. Ry. Co., and Nacogdoches & SE. R. Co.	71.790	Ownership of stock.
Pittsburgh & West Virginia Ry. Co.	Pittsburgh, McK. & Y. R., and Pittsburgh & L. E. R. Co.	.194	Trackage rights.
Reading Co.....	Little Schuylkill N. R. & C. Co.	30.740	Merger.
Rutland Ry. Corp.....	Addison R. Co.....	3.090	Purchase.

¹ Holding company.

42 applications filed.

32 authorizations granted.

*Authorizations issued under section 5 (2) of the Interstate Commerce Act, as amended,
involving water carriers*

Acquiring carrier	Owning carrier	Service	How acquired
William H. McAllister and James P. McAllister. ¹	Card Towing Line, Inc....	Atlantic coast.....	Ownership of stock.
Mississippi Valley B. L. Co....	Central B. Co.....	Mississippi River tributaries.	Merger.
Russell T. & M. Co. Shaver T. Co., and Tidewater-Shaver B. L.	Consolidated N. Co.....	Pacific coast.....	Ownership of stock.
Lew S. Russell, Sr., Lew S. Russell, Jr., and Homer T. Shaver. ¹	Shaver T. Co. Tidewater-Shaver B. L., Russell T. & M. Co., Consolidated N. Co., and Babidge & Holt, Inc.	Do.....	Do.
Standard U. N. Co.....	Mississippi Valley B. L. Co. and Central B. Co.	Mississippi River tributaries.	Do.
Upper Columbia R. T. Co.....	Allman-Hubble T. B. Co..	Pacific Coast.....	Purchase.

¹ Individuals.

2 applications filed.

6 authorizations granted.

1 application denied.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of the securities of others under section 20a of the Interstate Commerce Act, as amended, and special applications for exemption from competitive bidding

Stock, common:	
For acquisition of property.....	\$50, 475
For acquisition of property including equipment and for working capital.....	17, 600
For capital purposes.....	7, 500, 000
For exchange for common stock.....	1, 139, 200
For reimbursement of treasury for capital expenditures.....	¹ 125, 000
For reorganization.....	¹ 13, 677
For retirement of funded debt.....	¹ 36, 000
For stock dividend.....	{ 500, 000
For stock split-up.....	
	¹ 41, 487
	¹ 4, 722, 481
Total.....	{ 9, 207, 275
	¹ 4, 938, 645
Stock, preferred:	
For corporate purposes.....	¹ 150, 000
Total stock.....	{ 9, 207, 275
	¹ 5, 088, 645
Bonds, debenture:	
For reimbursement of treasury for redemption of bonds and repayment of indebtedness.....	25, 000, 000
Bonds, mortgage:	
For construction of facilities.....	750, 000
For exchange for bonds.....	5, 715, 000
For extension of matured funded debt.....	2, 584, 500
For pledge.....	42, 596, 000
For purchase of securities of merged companies.....	17, 000, 000
For refunding purposes.....	125, 450, 000
For refunding purposes and for additions and betterments.....	64, 239, 000
For reimbursement of treasury and for additions and betterments.....	8, 863, 000
For reimbursement of treasury and for additional working capital.....	20, 000, 000
For reorganization.....	550, 000
Assumption of obligation and liability in respect of \$147,-710,500.	
Exemption from competitive bidding in respect of \$133,-127,000.	
Total.....	287, 747, 500
Total bonds.....	312, 747, 500
Receiver's certificates:	
For general corporate purposes.....	3, 300
For replacement of void certificates.....	6, 700
Total.....	10, 000
Trustee's certificates of indebtedness:	
For payment of installments on purchase of railroad property and for costs of administration.....	100, 000
Notes, equipment-trust:	
For acquisition of equipment.....	\$1, 614, 000

¹ Shares without par or nominal value.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of the securities of others under section 20a of the Interstate Commerce Act, as amended, and special applications for exemption from competitive bidding—Continued

Notes, secured:

For acquisition of property including equipment and for working capital.....	\$25, 000
For construction of line.....	622, 800
For extension of matured funded debt.....	265, 000
For payment of indebtedness.....	8, 200, 000
For payment of indebtedness and for working capital.....	125, 000
Total.....	9, 237, 800

Notes, unsecured:

For acquisition of equipment.....	13, 775, 000
For acquisition of equipment and improvements to property.....	500, 000
For acquisition of property including equipment and for working capital.....	18, 900
For additions and betterments.....	550, 000
For betterments and improvements.....	441, 500
For construction and maintenance work and for additional working capital.....	50, 000
For improvements to property.....	258, 500
For payment of advances.....	400, 000
For rehabilitation of line.....	100, 000
Total.....	16, 093, 900
Total notes.....	26, 945, 700

Equipment obligations:

Assumed by carriers.....	297, 772, 000
Grand total securities.....	{ 646, 782, 475 1 5, 088, 645

133 applications filed.

115 applications approved.

2 applications denied.

9 applications dismissed.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of others under section 214 of the Interstate Commerce Act, as amended

Stock, common:

For acquisition of equipment and for other corporate purposes.....	\$500, 000
For acquisition of equipment, construction of facilities and for additions to owned properties.....	500, 000
For acquisition of common stock of another company.....	94, 022
For acquisition of equipment and for working capital.....	155, 400
For additional working capital.....	50, 000
For conversion of class B common stock.....	900, 000
For conversion rights.....	1 50, 000
For exchange for common stock.....	{ 1, 908, 877 1 263, 305
For general corporate purposes.....	2, 701
For reorganization.....	100, 000
For replacement of void stock.....	334, 600
For sale for cash.....	100, 000
For stock dividend.....	69, 768
Total.....	{ 4, 715, 368 1 313, 305

¹ Shares without par or nominal value.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of others under section 214 of the Interstate Commerce Act as amended—Continued

Stock, employees preference:	
For exchange for employees preference stock.....	\$100, 000
Stock, first preferred:	
For exchange for first preferred stock.....	756, 450
Stock, preferred:	
For acquisition of equipment.....	1, 000, 000
For acquisition of stock of another company.....	2, 224, 700
For general corporate purposes.....	46, 600
For partial reimbursement of treasury and for capital expenditures.....	¹ 32, 500
For reorganization.....	520, 900
For replacement of void stock.....	44, 900
For sale for cash.....	293, 800
For stock bonus and profit-sharing purpose.....	5, 000
Total.....	{ 4, 135, 900
	¹ 32, 500
Total stock.....	{ 9, 707, 718
	¹ 345, 805
Bonds, first and collateral trust:	
For general corporate and refunding purposes.....	6, 000, 000
Bonds, mortgage:	
For acquisition and construction of property and for reimbursement of treasury.....	160, 000
For acquisition of property and for refunding purposes.....	100, 000
For refunding purposes.....	1, 700, 000
Total.....	1, 960, 000
Total bonds.....	7, 960, 000
Notes, mortgage:	
For construction of facilities.....	375, 000
Notes, secured:	
For acquisition and construction of property and for reimbursement of treasury.....	180, 000
For acquisition of equipment.....	445, 000
For acquisition of property.....	400, 000
For additional working capital.....	1, 250, 000
For construction of facilities and for acquisition of equipment..	600, 000
For general corporate purposes.....	800, 000
For payment of indebtedness and for working capital.....	353, 000
For refunding and general corporate purposes and for additional working capital.....	200, 000
For replacement of void notes.....	458, 464
For replacement of void notes and for additional working capital.....	200, 000
For replenishment of working capital.....	30, 000
For retirement of outstanding note and for additional working capital.....	425, 000
Total.....	5, 341, 464

¹ Shares without par or nominal value.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of others under section 214 of the Interstate Commerce Act, as amended—Continued

Notes, unsecured:

For acquisition of control.....	\$250, 000
For acquisition of equipment.....	110, 853
For additional working capital.....	750, 000
For construction of facilities.....	375, 000
For reorganization.....	1, 120, 000
For replacement of void notes.....	746, 547
For retirement of indebtedness.....	55, 322
Assumption of obligation and liability in respect of \$300,000.	

Total..... 3, 407, 722

Total notes..... 9, 124, 186

Grand total securities..... { 26, 791, 904
1 345, 805

55 applications filed.

36 applications approved.

1 application denied.

9 applications dismissed.

¹ Shares without par or nominal value.

Bond issues sold at competitive bidding, authorized under section 20a of the Interstate Commerce Act, as amended, from Nov. 1, 1951, to Oct. 31, 1952

Name of company and description of issue	Year	Principal amount	Cou- pon rate	Date bids opened	Num- ber bids	Price to com- pany	Inter- est cost	Price to public	Gross spread
Western Maryland Ry. Co.: General mortgage bonds, series B.....	1976	\$14, 950, 000	4½	Oct. 29, 1951	2	98.5231	Per- cent 4.60	100	1.4769
Fort Worth & Denver Ry. Co.: First-mortgage bonds, series of 1982.....	1982	17, 000, 000	4¾	May 1, 1952	2	98.78	4.45	101	2.22
Illinois Central R. R. Co.: Consolidated mortgage bonds, series E.....	1982	62, 000, 000	3¾	Aug. 20, 1952	2	97.347	4.03	97.827	.48
Seaboard Air Line R. Co.: Sinking-fund debentures.	1977	25, 000, 000	3¾	Aug. 13, 1952	5	98.337	3.98	98.815	0.478

APPENDIX E

RAILROAD COMPANIES IN REORGANIZATION (OR RECEIVERSHIP) PROCEEDINGS

	<i>Miles of line operated ¹</i>
Proceedings under section 77 of the Bankruptcy Act:	
Boston & Providence Railroad Corporation ² -----	-----
Boston Terminal Company-----	³ 13
Florida East Coast Railway Company ⁴ -----	571
Huntingdon & Broad Top Mountain Railroad and Coal Company, The-----	76
Lackawanna and Wyoming Valley Railroad Company-----	19
Long Island Rail Road Company, The-----	365
Missouri Pacific Railroad system-----	9, 784
New Jersey & New York Railroad Company-----	38
New York, Ontario & Western Railway Company-----	541
New York, Susquehanna & Western Railroad Company-----	120
Port Angeles Western Railroad Company-----	61
Smithfield Terminal Railway Company-----	1
Wisconsin Central Railway Company ⁵ -----	-----
Receivership proceedings:	
Georgia & Florida Railroad-----	360
Smoky Mountain Railroad-----	31
Tallulah Falls Railway Company-----	57
Waco, Beaumont, Trinity & Sabine Railway Company-----	18
Wyoming Railway Company ⁶ -----	29

¹ As of June 30, 1952.

² Owned mileage 64. Leased to Old Colony Railroad Company; operated by New York, New Haven & Hartford Railroad Company.

³ Miles of track.

⁴ Modified plan of reorganization approved by Commission October 25, 1951.

⁵ Owned mileage 893. Operated by Minneapolis, St. Paul & Sault Ste. Marie Railroad Company. Modified plan of reorganization approved by Commission September 15, 1952.

⁶ Authorized to be abandoned effective October 15, 1952.

Mileage of line-haul steam railroads operated by receivers or trustees at various dates

Year ¹	Miles of road operated by receivers at close of year	Miles of road operated by trustees at close of year	Miles of road operated by both receivers and trustees at close of year	Total miles of road operated at close of year. All line-haul companies	Percent of total mileage oper- ated by receivers or trustees
1895-----	37,855.80	-----	37,855.80	177,746	21.30
1900-----	4,177.91	-----	4,177.91	192,556	2.17
1905-----	795.82	-----	795.82	216,974	.37
1910-----	5,257.03	-----	5,257.03	240,831	2.18
1915-----	30,223.05	-----	30,223.05	257,569	11.73
1920-----	16,290.17	-----	16,290.17	259,941	6.27
1925-----	18,686.99	-----	18,686.99	258,631	7.23
1930-----	9,486.28	-----	9,486.28	260,440	3.64
1935-----	15,920.00	52,425.00	68,345.00	252,930	27.02
1940-----	11,658.00	63,612.00	75,270.00	245,740	30.63
1945-----	5,088.00	34,626.00	39,714.00	239,438	16.59
1950-----	638.00	11,585.00	12,223.00	236,857	5.16
1951-----	638.00	11,574.00	12,212.00	236,599	5.16

¹ As of June 30, 1895 to 1915, inclusive. As of Dec. 31, 1920 to 1951, inclusive.

APPENDIX F

STATEMENT OF APPROPRIATIONS AND OBLIGATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 1952

An Act making appropriations for the Executive Office and sundry independent executive * * * commissions * * * for the fiscal year ending June 30, 1952, and for other purposes (Public Law 137-82d Congress) approved August 31, 1951, also supplemental appropriations in Third Supplemental Appropriation Act, 1952 (Public Law 375-82d Congress) approved June 5, 1952:

General expenses: For expenses necessary in performing the functions vested by law in the Commission (49 U. S. C. 1-24, 301-327, 901-923, 1001-1022), except those otherwise specifically provided for in this act, and for general administration, including not to exceed \$5,000 for the employment of special counsel; contract stenographic reporting services; newspapers (not to exceed \$200); and purchase of nine passenger motor vehicles for replacement only; \$8,784,935: Provided, That Joint Board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their duties as such-----			\$8, 784, 935	
Third Supplemental Appropriation Act, 1952-----			695, 000	\$9, 479, 935
Railroad safety: For expenses necessary in performing functions authorized by law (45 U. S. C. 1-15, 17-21, 35-46, 61-64; 49 U. S. C. 26) to insure a maximum of safety in the operation of railroads, including authority to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operation, including those pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906, and the Sundry Civil Act of May 27, 1908 (45 U. S. C. 35-37), and to require carriers by railroad subject to the act to install automatic train-stop or train-control devices as prescribed by the Commission (49 U. S. C. 26), including the employment of inspectors and engineers, \$983,000, of which not more than \$743,700 shall be available for personal services-----			983, 000	
Third Supplemental Appropriation Act, 1952-----			54, 000	1, 037, 000
Locomotive inspection: For expenses necessary in the enforcement of the Act of February 17, 1911, entitled "An Act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," as amended (45 U. S. C. 22-34), \$706,600, of which not more than \$540,000 shall be available for personal services-----			706, 600	
Third Supplemental Appropriation Act, 1952-----			40, 500	747, 100
Total amount appropriated-----				<u>11, 264, 035</u>

Obligations and unobligated balances of appropriations as of June 30, 1952. The obligations shown represent net obligations after deducting all credits for services and salaries charged to other Government activities.

Net obligations under appropriations for the fiscal year ended June 30, 1952:

General expenses	\$9, 472, 273
Railroad safety	1, 015, 975
Locomotive inspection	733, 512

Total obligations	11, 221, 760
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Unobligated balances of appropriations:

General expenses	7, 662
Railroad safety	21, 025
Locomotive inspection	13, 588

Total unobligated balances	42, 275
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Statement of receipts from fees and charges during the fiscal year ended June 30, 1952, as required by 5 U. S. C. 104a:

Fees and other charges for administrative, professional and scientific services, not otherwise classified	5, 699
Unearned fees, admission of attorneys, Interstate Commerce Commission	6, 450
Sale of photo duplications	9, 174
Sale of publications and reproductions, not otherwise classified	23, 710
Total receipts from fees and charges	45, 033

INDEX

Abandonment of lines:	Page
Certificates of convenience and necessity	82, 187
Employees' interest affected by	85
Mileage abandoned	82, 187
Accident Reports Act	67
Accidents and casualties:	
Dangerous articles	70
Driver-asleep	68
Grade crossings, number	122
Investigation of, railroad	108
Locomotives defective	107, 108
Mechanical defects	68
Motor accidents, increase	67, 111, 116
Motor carrier safety regulations	69
Number of, railroad	65
Trespassers	66
Accounts and cost finding:	
Accounting regulations, inconsistencies corrected	78
Amortization accounting	35
Bureau of	77
Carriers subject to prescribed system of accounts	77
Control of carrier accounting	78
Cost Finding Section	81
Depreciation accounts	78
Examination of carrier accounts, curtailed	78
Field service investigation of accounts	79
Motor carrier accounting, reviewed	79
Motor carrier reports	80
Number of investigations	80
Policing of motor carrier accounts	79
Rail equipment depreciation	79
Regulations covering accounting procedure	78
Shortage of field personnel	79
Special studies	81
Uniform system of accounts for motor carriers	80
Acquisition. <i>See</i> Consolidation and control; Convenience and necessity.	
Administrative Procedure Act	75
Admissions to practice	71
Agreements between or among carriers:	
Applications for approval	61
Reed-Bulwinkle Act	61
Section 5a	61
Staff insufficient for field investigation work	62
Amortization accounting for emergency carrier facilities	35
Appliances. <i>See</i> Safety.	
Appropriations and obligations, statement of, for fiscal year, 1952	196
Automatic train control	120

Bankruptcy Act:	Page
Reorganizations.....	37, 195
Section 77, reorganization proceedings.....	37, 195
Bids, competitive, railroad securities.....	86, 194
Bonds. <i>See</i> Securities.	
Bureaus of Commission. <i>See</i> specific bureaus.	
Carriers. <i>See</i> specific subjects.	
Carrier's management, practices questionable.....	73
Carriers Taxing Act.....	64
Class I line-haul railways; tables.....	20, 21, 22
Class rate and classification investigations.....	55
Class rates, mountain-Pacific territory.....	58
Commutation fares.....	43
Competitive advantage, unwarranted expenditure.....	73
Competitive bidding in the sale of railroad securities.....	86, 194
Complaints:	
Formal, number filed, disposed of.....	87
Informal cases.....	87
Section, Bureau of Motor Carriers.....	113
Status of investigations and litigation, motor carrier.....	113
Congress:	
Legislative recommendations—	
Amend Administrative Procedure Act.....	148
Commission be given emergency powers, motor and water carriers.....	148
New provision to make motor carriers, water carriers, and freight forwarders liable for payment of damages.....	148
Section 1 (15).....	147
Section 15 (13).....	147
Section 20a (2).....	147
Section 20a (12).....	147
Section 20b.....	147
Section 20 (6).....	147
Section 22.....	147
Section 25.....	147
Section 312a.....	137, 147
Section 402 (b) (2).....	147
Section 402 (c).....	138, 148
Section 410.....	148
Section 411.....	148
Standard Time Act.....	148
Transportation of Explosives Act be amended to include radioactive material and make contract carriers and private carriers subject to its provisions.....	148
Consolidation and control:	
Acquisition of control and authorization, railroad.....	83, 189
Authorization under section 5 (2) involving—	
Railroad property.....	83, 189
Water carriers.....	83, 190
Employees' interest considered.....	85

Convenience and necessity:	Page
Abandonment of lines.....	82, 187
Application, validity of hearings.....	84
Construction of lines.....	83, 187
Motor carriers, certificates.....	112
Railroad applications.....	82, 190
Courts:	
Cases concluded in District Courts.....	90, 153
Cases relating to Commission's work.....	90-104, 153
Elkins Act cases.....	89, 149
Indictments returned, and information filed for violation of the Inter- state Commerce Act, Elkins Act, and Transportation of Explosives Act.....	90, 149
Reorganization of railroads.....	38, 195
Status of motor cases.....	104
Summaries showing action taken with respect to orders of Commis- sion and status of pending cases.....	153
Transportation of Explosives Act, violations.....	149
Dangerous articles:	
Accidents due to.....	70
Regulations for transportation.....	70
Rules and regulations governing.....	70, 90
Transportation by motor.....	69
Defense Production Act of 1950, as amended.....	24
Defense Transport Administration:	
Adequate and efficient transportation service.....	24
Advance mobilization planning.....	33
Agreement with Canadian authorities.....	26
Brookings report.....	25
Emergency rerouting.....	26
Equipment and materials.....	28, 37
Holiday traffic.....	25
Inland water transport.....	26
Manpower.....	31
Materials shortage.....	29
On-the-spot surveys.....	33
Port utilization.....	28
Railroad transport.....	24
Relations with the Interstate Commerce Commission.....	34
Small business.....	33
Special State permits for overloads.....	26
Street and highway transport.....	25
Tax amortization and defense loans.....	31
"The Storage Picture.".....	27
Transportation committee for scrap recovery.....	30
Warehousing and storage.....	27
Department of Commerce.....	51
Effect of reduced appropriations:	
Delays in production of work, decreased efficiency and effectiveness..	144
Efficient and effective performance of Commission's duties curtailed..	144
General expenses.....	143
Pay increases authorized by Public Laws.....	143
Progressive reductions in personnel.....	143

	Page
Electronics in transportation.....	70
Elkins Act:	
Information filed.....	89
Employees: <i>See also</i> Different bureaus; Hours of Service; Safety.	
Effect of reduction in force on work.....	144
Increases in salaries.....	143
Performance depends on adequate staff.....	144
Protection of interest of railway employees.....	85
Railway Labor Act.....	14, 64
Escalator clause.....	53
Ethics, departure from.....	73
Federal Reserve Board.....	1
Federal trial examiners conference.....	75
Finance:	
Abandonment of trackage rights.....	82
Acquisition of control.....	82, 189
Applications to abandon lines.....	82, 187
Bureau of.....	82
Certificate of convenience and necessity.....	82, 187
Construction of new lines.....	83, 187
Controlling persons.....	84
Interlocking directorates.....	86
Issuance of securities and assumption of obligation.....	86, 193
Loans and reorganizations.....	86
Railway employees.....	85
Sale of securities.....	86
Section 5 (2) (b), amended.....	84
Water carrier permits or certificates, transfers.....	83
Forfeitures and penalties.....	89
Formal cases:	
Bureau of.....	86
Complaints filed and disposed of.....	87
Freight rates and federal income taxes.....	49
Government reparation cases.....	64
Hearing examiner litigation.....	75
Hearings:	
Administrative Procedure Act.....	75
Examiners.....	75, 76
Riss case.....	75
Highways. <i>See</i> Motor carriers.	
Hours of service:	
Employees, motor carrier.....	68
Excessive number of hours.....	116
Safety reports.....	119
House Bills Nos. 1998, 5045.....	67, 71, 75, 148
Increased express rates and charges.....	53
Increased freight rates.....	46
Increased parcel post charges.....	55
Indictments and information. <i>See</i> Courts.	
Industrial plants, spotting service.....	72

Informal cases:	Page
Bureau of.....	87
Complaints filed.....	87
Orders issued.....	87
Special docket applications.....	88
Inquiry:	
Bureau of.....	88
Enforcement of criminal and penal provisions of parts I, III, and IV of act.....	88
Fines and penalties.....	89
Indictments returned and information and complaints filed.....	90
Investigation of statutory offenses and formal docket.....	88
Practices of freight forwarders.....	89
Rebates and concessions.....	89
Violations of service orders prosecuted.....	89
Installation of train communication system.....	70
Insurance. <i>See</i> Motor carriers.	
Intercity traffic, volume, public and private; table.....	18
Interstate Commerce Act: <i>See also</i> Congress (Legislative recommendations).	
Violations.....	73
Interstate Commerce Commission. <i>See also</i> Courts and specific subjects.	
Full discharge of functions.....	144
Jurisdiction over transportation increased.....	144
Legislative Committee work.....	76
Statutory duties increased.....	144
Intrastate rate cases.....	64
Investigations:	
Accidents, railroad.....	121
Bureau of Inquiry, by.....	88
Class rate and classification.....	55
Extension of time for removal of flues.....	109
General condition of locomotives.....	108
Increased freight rates.....	46
Increased parcel post charges.....	55
Instituted on Commission's own motion.....	62
Instituted under section 13 (3).....	64
Motor carrier accidents.....	115
Railway mail pay.....	54
Standard time zone.....	71
Status of Parmelee Transp. Co.....	65
Issuance of securities. <i>See</i> Securities.	
Judicial review. <i>See</i> Courts.	
Labor disputes.....	123
Labor, railroad, laws relating to.....	64
Labor strikes.....	14
Law:	
Bureau of.....	90
Cases decided by Supreme Court.....	91
Cases instituted, concluded, and pending.....	90, 153
Summaries of cases in Supreme Court.....	90-104, 153
Laws, relating to railroad labor.....	64

Legislative Committee:	Page
Bills pending in Congress.....	76
Work of.....	76
Legislative recommendation. <i>See</i> Congress.	
Locomotive inspection:	
Accidents and casualties.....	107, 108
Appeals from decisions.....	110
Bureau of.....	106
Explosions and boiler accidents.....	108, 109
Flues, extension of time for removal.....	109
Investigation of accidents and general condition of locomotives.....	108
Locomotives propelled by power other than steam.....	109
Percentage found defective.....	107
Reports, steam and other than steam.....	107
Rules and instructions.....	108
Shortage in personnel.....	146
Specification cards and alteration reports.....	110
Management improvement:	
Consolidation of law bureaus.....	140
Modified procedure in formal proceedings.....	139, 141
Personnel programs planned.....	139
Procedure to complete work in field offices.....	140
Revised surety bond forms.....	141
Revision of uniform accounting rules.....	139
Section of stenography efficiency improved.....	139
Space released to other agencies.....	139
Special rules of practice for prehearing conferences.....	140
Techniques to ease manpower shortage.....	139
Training programs for greater efficiency.....	140
Use of Federal Register plates for printing.....	139
Volume of annual pipeline reports reduced.....	142
Within the Commission.....	138
Marketing securities. <i>See</i> Competitive bidding in the sale of railroad securities.	
Medals of honor.....	122
Motor carriers:	
Accident reports.....	111, 115, 116
Administrative proceedings before the Commission.....	70
Applications filed since enactment of Part II.....	112
Briefing unit.....	106
Bureau of.....	110
Certificates, permits, licenses, temporary authority, exemption, and finance operations tabulated.....	112
Complaint Section.....	113
Dangerous articles transported.....	69
Field organization.....	118
Hours of service.....	116
Insurance Section.....	114
Interchange of trailers facilitated.....	7
Intercity traffic.....	6
Law and Enforcement Section, investigations and litigation.....	104
Rules to govern motor-vehicle leasing postponed.....	111
Safety regulations and work.....	69, 111

	Page
Motor carriers:	
Section of Certificates.....	112
Section of Safety.....	115
Shortage of personnel.....	110, 112, 114
Surveys, investigations, defense.....	34
Transportation during the year.....	6
Use of trucks to transport mail.....	111
Volume of intercity traffic during the year.....	8
Motor carrier safety regulations.....	69
Operating revenues.....	16
Parcel post, increased charges.....	55
Passengers:	
Commutation fares.....	43, 45
Fares, increased.....	42
Volume of traffic.....	45
Passenger-train operations:	
Deficit.....	44
Head-end traffic.....	44
Services rendered Railway Express Agency.....	44
Unprofitable.....	45
Passenger-train service, power of States.....	46
Post Office Department.....	55
Postwar general rate increase proceedings:	
Summary of increases sought and allowed.....	48
Practices of carriers:	
Consolidated financial reports.....	74
Management questionable.....	73
Use of noncarrier affiliations.....	74
President of the United States.....	134
Protective service:	
Contracts or agreements.....	65
Refrigerator cars, supply.....	65
Protective service and car owning companies.....	65
Public Laws 556; 856.....	42, 137
Pullman charges, increased.....	43
Radio systems, train communication.....	70
Rail carriers:	
Certificates of convenience and necessity applications.....	82, 187
Commutation fares.....	43
Defense transportation.....	24
Federal income taxes.....	50
Intercity traffic.....	18
Passenger fares; leading cases.....	42, 43
Railroad passenger fares.....	42
Railroad reorganizations.....	37
Railroad Retirement Act.....	64
Railroad safety and locomotive inspection.....	146
Railroad Unemployment Insurance Act.....	64
Railway Express Agency.....	53
Railway Labor Act.....	14, 64
Railway mail pay.....	54
Railway performance changes; table.....	20

	Page
Rebates, restriction violated.....	73
Receivers.....	195
Reconstruction Finance Corporation Act.....	187
Recordation of documents under section 20c.....	42
Reed-Bulwinkle Act.....	61
Released rates.....	129
Reports:	
Accidents, railroad.....	108
Carriers' periodic reports.....	172
Locomotive inspection.....	107
Motor accident reports.....	111, 115
Statistics from railroad reports.....	172
Reorganization of railroads:	
Bankruptcy Act.....	37, 195
Proceedings in court.....	38
Railroad companies in reorganization or receivership.....	37, 195
Section 20b.....	40
Simplification of corporate structures.....	84
Voluntary reorganization.....	40
Riss case, discussed.....	75
Safety:	
Block-signal system.....	120
Bureau.....	118
Grade crossings accidents.....	122
Hours of service.....	119
Investigation of accidents.....	121
Investigation of safety devices.....	122
Medals of honor.....	122
Reduced appropriations.....	146
Reduction in personnel.....	146
Safety appliances, inspection.....	119
Signal-system and train-control devices.....	120
Violation of regulations.....	119, 121
Safety work and accidents:	
Motor.....	67
Rail.....	65
Securities:	
Bids, competitive.....	86, 194
Issuance of and assumption of obligation by railroad.....	86, 193
Sale of bonds issued under section 20a.....	86, 194
Senate Bills Nos. 2356, 2518.....	47, 71
Senate Resolution No. 332.....	142
Service:	
Bureau of.....	123
Car supply.....	124
Car utilization.....	123
Coal stockpile.....	125
Emergency service orders.....	125
Investigations and surveys, defense.....	34
Personnel shortage.....	126
Relief service, flooded area.....	123
Section of explosives, personnel vacancies should be filled.....	126
Work for the Defense Transport Administration.....	123

Service orders:	Page
Demurrage charges increased.....	126
Heavier loading of certain commodities.....	125
Nos. 859; 865; 866; 869; 876.....	88, 89, 124
Violations.....	126
Small shipments:	
Motor charges.....	61
Railroad charges.....	60
Transportation problems.....	59
Undesirable traffic.....	60
Spotting service at industrial plants.....	72
Standard Time Act, amendment recommended.....	71, 148
Standard time zone investigation.....	71
Statistics:	
Accidents on railways.....	181
Compiled from periodical reports of carriers.....	178
Dividends on railway stock.....	173
Electric railways.....	186
Equipment in service.....	172
Freight forwarders, revenues and expenses.....	184
Motor carrier expenses, revenues, and income.....	182
Number and compensation of employees.....	175
Operating averages in freight and passenger service.....	179
Operating revenues and expenses of railways.....	174
Passengers, revenues, expenses, and income, motor carriers.....	182
Pipeline companies.....	185
Private-car owners.....	185
Property investment and income.....	174
Railway capital and net income.....	173
Railway development.....	172
Revenue freight by carload and by commodity.....	180
Summaries and tables.....	172
Water carriers, revenue and traffic.....	186
Strikes curtail industrial operations.....	2, 123
Survey of the commission's organizational structure.....	142
Taxes:	
Deductible by shippers.....	52
Income equalization plan.....	37
Transportation.....	15, 49
Time lag in rate increase cases.....	47
Traffic:	
Bureau of.....	127
Fourth-section applications.....	129
Freight forwarder schedules.....	127
Pipeline schedules.....	127
Released rates.....	129
Section of tariffs.....	127
Suspension adjustments.....	128
Tariff publications.....	127
Tariffs, maintenance of proper standards.....	128
Traffic and earnings of transport agencies.....	16
Train communication system.....	70

Transport economics and statistics:	Page
Associations and organizations, special reports.....	130
Bureau of.....	129
Exhibits filed in Ex Parte No. 175.....	130
Publications and special tabulations.....	51, 132
Reports of carriers.....	130
Shortage of personnel.....	130
Special reports from carriers required.....	130
Studies, statistical and research.....	131
Waybill analysis.....	132
Transportation during the year:	
Changes in traffic, costs and rates.....	2
Freight forwarders.....	12
Interagency competition.....	3
Labor-management relations.....	14
Less-than-carload traffic decline in volume.....	2
Motor carriers of passengers.....	8
Motor carriers of property.....	6
Need for improved and well planned highways.....	7
Operating efficiency.....	5
Parcel post packages.....	4
Pipelines, volume and revenue.....	13
Private-car owners.....	13
Private motor carriers.....	3
Problems of carriers.....	8
Railway express.....	4
Transportation and defense.....	1
Volume of traffic increase.....	2, 8
Water transportation.....	9
Transportation of explosives by motor.....	69
Transportation problems:	
Classification of freight.....	58
Cost to shippers, increase.....	49
Federal income taxes.....	49, 53
Uniform freight classification.....	55, 59
Valuation:	
Aided carriers in setting up new investment accounts.....	133
Bureau of.....	133
Data furnished Bureau of Transport Economics and Statistics; Bureau of Accounts and Cost Finding.....	133
Information furnished other government agencies.....	134
Pipeline carriers.....	133
Railroad construction indices.....	134
Railroad valuation brought up to date.....	133
Shortage of personnel, hinders production.....	135
Voluntary reorganizations.....	40

Water carriers and freight forwarders:	Page
Amendments to parts III and IV recommended.....	137
Applications under section 5a.....	135
Bureau of.....	135
Defense surveys and investigations.....	35
Field work increased.....	136
Forwarders—	
Transportation during the year.....	12
Personnel shortage.....	135
Water carriers—	
Increase in costs.....	9
“Package-freight” service.....	10
Port utilization.....	27
Transportation during the year.....	9
Volume of traffic.....	10
Waybill analysis.....	132, 133
Work of the legislative committee.....	76
Working capital:	
Class I line-haul railways.....	20
World War II.....	56



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